Automotive

MARCH 9, 1992

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NEWSPAPER

late news

Kume successor may be Tsuji

TOKYO — Yutaka Kume will step down as president of Nissan Motor Co. in June and will be succeeded by Yoshifumi Tsuji, executive vice president, according to widespread press reports here.

The company did not deny the reports.

Tsuji, 64, has been executive vice president in charge of production.

— *Mary Ann Maskery*

Bowler resigns from Porsche

RENO, Nev. — Frederick J. Schwab has been promoted to president of Porsche Cars North America, replacing Brian Bowler, who resigned Friday.

A company statement said Bowler resigned "as a result of differences over the direction of the company's future efforts in the important U.S. market."

New model due for Beijing Jeep

Beijing Jeep Corp., the joint production venture between Chrysler Corp. and China's Beijing Auto Works, has begun work on the next-generation BJ-202 four-wheel-drive vehicle it produces for the Chinese military.

Visioneering Inc., a speciality toolmaker and engineering contractor based

see LATE NEWS, 2

IRS ruling threatens dealers

Tax treatment of service pacts called a killer cost

CHARLES M. THOMAS
Staff Reporter

An Internal Revenue Service advisory on extended service contracts could push hundreds of recession-weary dealers out of business. It also inflicts a crippling blow on independent vehicle service contract administrators by making their programs less competitive than factory programs.

"The IRS position could wipe out 10 percent of the dealer body," warns David Robertson, who is coordinating the lobbying efforts of two independent extended service contract administrators with the Department of the Treasury and IRS to reverse the advisory.

A spokeswoman with the President's Council on Competitiveness, chaired by Vice President Dan Quayle, said Robertson has brought the issue to the attention of both the council and the White House assistant to the president for domestic policy. But she said there has been no decision on whether to put it on the council's agenda.

The most likely alternative is that the council could recommend that it be added to the list of regulations to be reviewed under President Bush's 90-day moratorium on regulations.

Frank McCarthy, National Automobile Dealers Association executive vice president, concedes that some dealers are at risk.

"The timing couldn't be worse because dealers are just coming out of a long recession and have depleted cash flows," he said.

Under the IRS advisory, some dealers are being assessed hundreds of thousands of dollars in interest and penalties. McCarthy cited one instance in which the IRS assessed a dealer $500,000.

The IRS says an extended service contract is prepaid insurance. Hence, dealers should take the income from the sale in the first year and amortize costs over the term of the contract. Dealers were writing off the cost in the first year, too.

Ford Motor Co. triggered the issue when it changed its extended service contract program in 1985, making Ford and Lincoln-Mercury dealers the principals under their programs even though American Road Insurance Co., a subsidiary of Ford, insured the program.

Dealers selling General Motors and Chrysler Corp. extended service contracts are unaffected because the automakers are the principals under those programs and dealers are considered agents.

But dealers who sell independently administered contracts can face IRS audits because they are considered principals.

According to Robertson, at least half of U.S. dealers sell independently administered extended service contracts.

He estimated that 95 percent of the dealers selling the contracts used accounting methods

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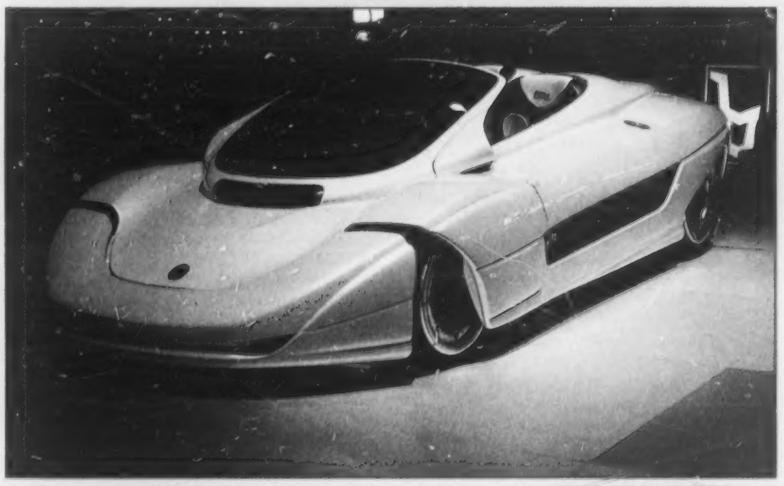

JOE WILSSENS/AUTOMOTIVE NEWS

Bertone's Blitz

Italy's Carrozzeria Bertone last week showed this concept of an electric leisure car of the future at the Geneva auto show. Named the Blitz, the two-seater is described by Bertone as a motorcycle that can be driven without a crash helmet. A working prototype will be shown at next month's Turin show, Bertone said. Other Geneva show news is featured on Page 8.

Trade report: Chrysler 4th in U.S. parts

LINDSAY CHAPPELL
Staff Reporter

If the "Buy American" movement comes down to comparing bloodlines with a blue book from the Commerce Department, Chrysler Corp. could be in trouble.

U.S. plants run by General Motors, Ford Motor Co. and Honda Motor Co. generally use a higher percentage of U.S. parts and materials than most of Chrysler's plants, according to a recent Commerce Department agency report covering the 1990 model year that measures the import of production parts and materials.

The report indicates that Chevrolet's Beretta and Corsica were "more American" than any other cars and trucks made in this country. At the foreign trade subzone for the Wilmington, Del., plant building the cars, GM bought $1.4 billion worth of domestic parts and $800,000 of

see CONTENT, 37

Big 3 catch consortium fever in drive to edge past Japanese

First eight groups are 'just the tip'

JOSEPH BOHN
Staff Reporter

In a small room in Ford Motor Co.'s Scientific Laboratories in Dearborn, Mich., Ronald Wlosinski shows off the intricate machinery he uses to test a vinylester composite that may someday replace steel as the structure in cars.

By agreement, he is to spend only one-fourth of his time on the project. Often, though, it works out to more than that. To cover the extra time, Wlosinski frequently puts in 10-hour days. To keep up, he often travels across town to the laboratories of his colleagues at Chrysler Corp. in Highland Park and at General Motors' Tech Center in Warren.

There, on designated days, he can watch GM engineers develop a liquid molding process for the the composite crossmember Ford has given them. Or he can watch them do a brutal "tower test" in which a chunk of composite is smashed at 35 mph.

When the time comes, though, GM and Chrysler engineers will have to visit Ford to see the crash-testing of an entire composite vehicle. Meanwhile, there's still a lot of drafting and other testing to be done by all the parties.

Welcome to the world of automotive consortia. In this consortium effort, 11 part-time researchers from three companies, working on one of four related composites projects, split up their jobs according to their capabilities and the best available facilities.

Consortia, of which there are eight and counting, are the wave of the future in Big 3 research — and possibly one of Detroit's best and last chances to edge out Japanese technology.

If, for example, Wlosinski's Automotive Composites Consortium fails, so largely will the future of

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CONSORTIUM EFFORTS

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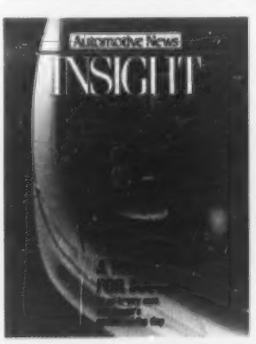
No effort on fuel economy ➤ 16

Searching for headquarters ➤ 17



Niche du jour

German automakers created the near-luxury segment, but the Japanese have garnered a lot of attention with a flurry of new entries. See *Automotive News Insight*, which follows Page 22.

Senate mulls import tariff on minivans, sport-utilities

MAX GATES
Staff Reporter

WASHINGTON — Washington's focus on import vehicles sharpened last week as the Senate Finance Committee approved a tax bill that would subject imported minivans and four-door sport-utilities to a 25 percent tariff.

The bill also retains the luxury tax on cars that cost over $30,000. But it adds an index provision that would adjust the $30,000 baseline to keep pace with inflation.

The increased minivan tariff has a long way to go before becoming law. But with last week's 11-9 vote, it advanced with the backing of

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inside Automotive News

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Chrysler plans electric-powered vans in 1993. PAGE 4

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Cadillac's 4.9-liter V-8 is up for grabs. PAGE 6

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STAYING POWER

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corrections

■ A Feb. 17 article misidentified the makes sold by some General Motors of Canada divisions. The Geo line is sold through some Chevrolet-Oldsmobile dealers; Saturn-Saab-Isuzu Trucks is a separate franchise.

■ A caption in the Feb. 24 Dealers section misidentified the location of C&O Motors Inc. The dealership is in St. Albans, W.Va.

HANS G. LEHMANN/HIDDEN IMAGE

Redesign for Cadillac DeVille

Major changes are in store for the 1994 version of Cadillac's best-selling line. This prototype, caught undergoing cold weather testing in Canada, shows more rounded body lines, a larger trunk and a longer, more sloping hood line. Tape disguises the skirted rear wheel openings; use of chrome on the exterior is limited primarily to the grille. The powerplant is expected to be a 200-horsepower version of Cadillac's new 4.6-liter Northstar V-8.

latenews

CONTINUED *from* PAGE 1

in Fraser, Mich., said it has been awarded a $45 million contract to design and engineer a prototype of the next-generation BJ-202 and for related production dies and assembly tooling.

The current vehicle, which Beijing Jeep produces alongside the Jeep Cherokee, is based on a nearly 30-year-old Soviet design. The venture produces about 45,000 of the vehicles a year.

A Visioneering spokesman said the new BJ likely will be based on the long Jeep Wrangler chassis and will offer both a 2.5-liter four-cylinder and a 4.0-liter six-cylinder engine. The price will be less than the equivalent of $12,000, the executive said.

Infiniti prices J30 at $33,000

Infiniti Division of Nissan Motor Corp. in U.S.A. has priced its 1993 J30 four-door sedan at $33,000. The J30t (touring package) is $34,700. The cars go on sale this month.

The J30, a new entry, fits between the G20 sedan at $19,100 and the Q45 sedan at $44,100 in the Infiniti lineup. Other models are the M30 two-door at $25,500 and the M30 convertible at $33,700.

Standard equipment on the J30 includes driver-side and passenger-side airbags, keyless entry system and in-dash compact disc player.

Mercedes taps Niefer successor

FRANKFURT — Mercedes-Benz AG said last week that Chairman Werner Niefer would retire on May 27 after 50 years with the company. Helmut Werner, head of the commercial-vehicles division, was named to succeed him.

Niefer, who also is deputy chief executive of parent-company Daimler-Benz AG, was thought to be heir-in-waiting to Daimler CEO Edzard Reuter. But the company said last week that the 64-year-old Reuter had been asked to stay on past normal retirement age of 65.

Reuter took over Daimler in 1987 and is responsible for launching the company on a major diversification program.

Werner, 55, is the former head of Continental AG, the German tire maker. He joined Mercedes in 1987 to take over the truck operation and is credited with its turnaround.

Separately, Dieter Zetsche, 38, former president of Freightliner Corp., was named head of passenger-car development at Mercedes. He assumes the position on April 1, replacing Wolfgang Peter, who is joining the management board of Mannesmann AG in Dusseldorf.

— *Diana T. Kurylko*

Ford reaches pact in Mexico

Labor negotiators at Ford Motor Co.'s Escort/Tracer plant in Hermosillo, Mexico, avoided a work stoppage by agreeing on a new two-year contract last Thursday.

The contract had expired at the end of February but production continued as the negotiations were extended. All of the plant's output is shipped to the United States.

No details were available on the new accord. The plant's 2,100 hourly workers still need to ratify it.

Ford in Mexico reached a separate two-year agreement with workers at its Chihuahua engine plant earlier this year. Another contract, covering only wage issues, expires at the end of this month at Ford's manufacturing complex near Mexico City.

— *Lindsay Chappell*

Hearings begin on trade bill

WASHINGTON - The House began hearings last week on the Gephardt-Riegle trade bill that would force Japan to reduce its $43 billion a year trade surplus with the United States or face limits on sales of imported and transplant-built vehicles.

The lead witness was the bill's co-author, House Majority Leader Richard Gephardt, D-Mo. He argued that while the bill may not be perfect, Congress needs to act to protect the Big 3 domestic automakers. "We cannot afford to give up on cars," Gephardt told a House Energy and Commerce subcommittee.

The Bush administration came in for its share of criticism as Democrats charged that the president has failed to enforce U.S. trade laws with the Japanese. This bill "would not be needed if the administration was doing its job. The president has never devoted his attention to the unfair practices of Japan," said Rep. John Dingell, D-Mich.

Republicans on the subcommittee labeled the bill "protectionist" and "political grandstanding." Two more hearings are scheduled.

— *Max Gates*

Jaguar shops for new agency

MAHWAH, N.J. — Jaguar Cars Inc. has put its advertising account up for review.

The account is estimated to be worth $15 million to $20 million in annual billings, according to *Advertising Age*, a sister publication to *Automotive News*.

The present agency, Geer Dubois Inc. in New York, will be invited to the review. The agency will continue to handle the account for the rest of the 1992 model year, said Michael Jackling, Jaguar vice president of sales and marketing. Jaguar's U.S. sales are up 18 percent so far this year after dropping 50 percent in 1991.

— *Jim Henry*

Distributor owes $3 million

North Carolina's motor vehicle commissioner closed the case against Southeast Toyota Distributors Inc. late last week by fining the independent distributor $3 million but allowing it stay in business.

A state hearing found Southeast Toyota guilty last month of obstructing justice during a 1987 investigation and of misallocating cars to Toyota dealers in the state in 1988. Southeast's penalty is a $1 million fine annually for the next three years.

The commissioner's decision rejects a last-minute recommendation by the state's attorney general to throw out the fine and instead revoke the distributor's business license in the state. (See story on Page 23.)

An attorney representing two Toyota dealers who had called for the hearing said an appeal is being considered.

— *Lindsay Chappell*

briefly

Honda flirts with trucks

Honda teased financial analysts in New York last week with talk about future products, including a minivan and sport-utility that if built would put Honda in the truck business. Fumihiko Ike, an American Honda Motor Co. executive in investor relations, said Honda is also considering a new little Honda that won't be the Beat and a new luxury Acura — a Legend plus — that could be based on the FS-X concept car from the 1991 Tokyo Auto Show. He showed analysts a photo of the Beat convertible mini-car popular in Japan but said neither it nor a derivative would be a new small Honda. "I'm not saying we are going to build these vehicles," he said. "But we are studying them."

MISS THE MOOSE — **Volvo** and **Saab** are testing ultraviolet headlights that could help Alaskans who play miss-the-moose just about every time they drive at night. Still being tested in Europe, the UV lights developed by the automakers reportedly make moose hides glow in the dark up to a mile off. But it could be years before the lights are available in the United States — if ever. There is concern over possible health hazards from the radiation discharged by the bulbs.

SUN STRUCK — Those government-automaker partnerships you've heard so much about have moved to solar cars. The Department of Energy has taken over principal sponsorship of an every-other-year Sunrayce for engineering students at 36 U.S. and Canadian universities. In 1991, **General Motors** sponsored the educational fun, but for Sunrayce '93, GM is a co-sponsor with SAE, the EPA and a few others. Racers will leave Dallas June 20, 1993, aiming to cover in seven days some 1,000 miles of back roads leading to Minneapolis.

SAFE TO SAY — **Saab Cars USA Inc.** is running an ad that says Saab is "one of the few car companies that would welcome a repeat of 1991." Saab sold 26,103 cars in 1991, down only 1 percent. The entire industry was off 12.0 percent, and Swedish rival **Volvo Cars of North America** fell 24.7 percent.

TAKE THIS JOB AND . . . On **General Motors'** "blue Monday" Feb. 24, Girvan White learned he will lose his job when GM closes its St. Catharines, Ontario, foundry in 1995. Four days later, the 53-year-old material handler picked up a check for $935,592.10 (Canadian) — his share of a $1.87 million Lotto jackpot.

CLOSE TO THE VEST — In his first meeting with the press, Transportation Secretary Andrew Card dodged questions about the future of Jerry Curry. The former general invigorated the National Highway Traffic Safety Administration when he took it over in 1989. Last November he was tapped to head the Federal Aviation Administration, a larger agency, but since then he's become embroiled with the second in command at Transportation, James Busey. In private, Curry said he expects the situation to be resolved to his "satisfaction."

Curry: No endorsement

GM officials to meet with UAW

Plant closings cast shadow over committee agenda

PHIL FRAME and LIZ PINTO
Staff Reporters

General Motors and UAW officials meet in Atlanta this week for their first face-to-face, high-level discussions since GM announced it would idle 21 U.S. and Canadian plants and trim 60,000 blue collar jobs by 1995.

The annual meeting of the National GM Jobs Committee will be Thursday at the Hyatt Regency in Atlanta. The committee comprises local union presidents and shop chairs plus GM plant managers and labor relation representatives.

The national committee is co-chaired by Donald Gardner, director of employee relations and job security for GM, and Cal Rapson, administrative assistant to Stephen Yokich, UAW vice president of the GM department.

A major topic of Thursday's meeting relates to procedures for administering the program that allows permanently laid-off UAW workers to move to openings at other plants. But UAW officials said they won't be afraid to use the meeting as a forum to express their rage over GM's cutbacks.

Bob Harlow, president of UAW Local 1776 in Ypsilanti, Mich., will be at the Thursday meeting, ready, willing and anxious to talk about GM's decision to close the Willow Run plant, idling more than 2,000 workers.

"I don't know if it's on the agenda officially, but I'm always prepared to talk about GM's decision to close Willow Run," Harlowe said.

This will be the first meeting of high-level company and union representatives since GM's cuts were announced, said Karen Messenger, financial secretary for UAW Local 664 in North Tarrytown, N.Y., which is one of the plants GM will idle.

Messenger, who is not going to the Atlanta meeting herself, said she also believes GM's cutbacks will be brought up by the UAW representatives.

"I'm sure they will use it that way," Messenger said. "Whether it falls on anyone who's listening is another question."

North Tarrytown is where GM's plastic-bodied minivans (Chevrolet Lumina APV, Oldsmobile Silhouette and Pontiac Trans Sport) are built. GM Chairman Robert Stempel said the plant would close in 1995 and minivan production shifted elsewhere.

Workers there are upset with GM decisions that they feel doomed the plant:

- The North Tarrytown UAW shop committee thought they were in line to build Trans Sports with an Opel badge for eastern Europe, Messenger said. But then GM announced the plant would close and that it would open a plant in Poland to build the vans for Europe.
- GM designed the minivans to have plastic bodies, retooled the plant and removed its metal body shop. The next generation of the vans due in the 1996 model year will have metal bodies, which would have required a big capital investment to restore a metal shop, Messenger said.

Meanwhile, near Atlanta, where the Doraville, Ga., Oldsmobile Cutlass Supreme plant is in jeopardy, UAW Local 10 is busily preparing for the Jobs Committee meeting and a big "Buy American" rally March 14 at Fulton County Stadium.

Russell Cobb, chairman of Local 10 education committee, said he hopes the rally shows GM the area's commitment to domestic manufacturers with the ultimate goal of swaying GM's decision regarding the Doraville plant. Cobb said Jesse Jackson and congressmen Ben Jones and John Lewis have been invited to address the rally.

Four more assembly plants and at least three more component plants will be idled by GM.

Chrysler plans electric minivans for 1993

PHIL FRAME
Staff Reporter

Chrysler Corp. is expected to announce soon that it will build up to 300 electric-powered minivans in 1993 for use in utility-company fleets across the United States.

The first retail units are likely to be built on the next generation of Chrysler minivans due in three years.

Chrysler has suggested that it would produce its so-called TEVan, a joint-venture product with the Electric Power Research Institute, but has not said when or how they would be distributed.

In December, Chrysler applied for exemptions from National Highway Traffic Safety Administration standards that don't apply to electric vehicles, saying it planned a demonstration fleet of up to 300 vehicles. The public comment period for the exemptions expires today. NHTSA allows manufacturers to get exemptions to build up to 2,500 electric vehicles a year.

Chrysler may announce the production and distribution plans for the TEVan next month at the Greater New York International Auto Show, where the company will display its electric EPIC concept minivan that has been at other auto shows this year.

Although Chrysler has not decided whether to disclose TEVan production plans at the New York show, spokesman Jason Vines said it is the next good opportunity for such an announcement.

The TEVan, based on the Plymouth Voyager, will not be sold to the public. The vans will be sold to utilities selected with the help of the Electric Power Research Institute, which wants customers who are interested in promoting electric vehicle technology.

Chrysler's electric-powered TEVan, based on the company's minivans, will be sold to utility company fleets only.

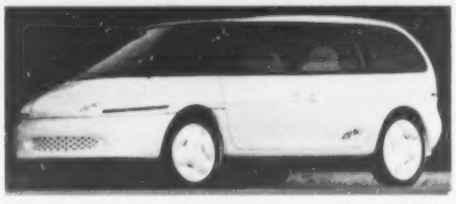
"We know who most of the proactive utilities are," said Gary Purcell, manager of the institute's program with Chrysler.

Purcell said he was not aware of an impending announcement.

He said that distribution of the Chrysler vans will not be limited to Southern California and that Chrysler and the institute want a good test of how electric vehicles work in a variety of climates.

The TEVan name is derived from the "T" in the T-115 Voyager engineering code-name and "E" for electric. Chrysler began developing the vehicle last year.

The TEVan will have a direct-current motor that can propel the vehicle from 0 to 60 mph in about 25 seconds. The 1,500-pound battery pack has a range of 120 miles in city driving, Vines said.



Chrysler's electric-powered EPIC concept minivan is on the auto show circuit this year.

The first production vans will not use the electric vehicle technology that Chrysler said it will develop in a multi-million dollar joint venture with Westinghouse Electric Corp (see story below).

Chrysler may be shooting for retail sale of electric versions of its next-generation minivan, which is due in the 1995½ or 1996 model year. Engineers are working on how to package the electric vehicle components more efficiently in a body that also will be used for gasoline-powered versions.

The TEVan will be built at the company's Windsor, Ontario, assembly plant, but may be converted to electricity elsewhere.

Westinghouse electric motor project helps minivan against GM Impact

KRISTINE STIVEN BREESE
Staff Reporter

UNIVERSAL CITY, Calif. — Chrysler Corp. accelerated its electric minivan plans last week, planning to race it in the marketplace against General Motors' electric sports car.

Jean Mallebay-Vacqueur, Chrysler's general manager of special projects engineering, announced an agreement between Chrysler and Westinghouse Electric Corp. to design a more efficient electric motor.

Clearly taking aim at GM, Mallebay-Vacqueur said the goal for the Westinghouse motor would be acceleration from 0 to 60 mph in less than 15 seconds, a range of 200 miles and a top speed of 70 mph. GM's coupe, based on the Impact concept car shown two years ago, goes from 0 to 60 mph in 8 seconds, has a 120-mile range and a top speed of 75 mph.

Although Impact offers better acceleration and top speed, Chrysler's minivan would have better range and carrying capacity.

"The minivan is our base effort because it can carry five people, not two like some of our competitors," Mallebay-Vacqueur said.

Chrysler used the occasion of the motor announcement to offer more details on its plan to sell 100,000 alternative-fuel vehicles nationwide in the 1994 model year.

This summer, dealers in California will begin selling Dodge Spirits and Plymouth Acclaims that run on a combination of methanol and gasoline. The federal government has ordered 2,500 of the cars.

This month, Chrysler will begin selling full-sized vans that run exclusively on compressed natural gas. The first 50 vans will be delivered to a California fleet March 31, and Chrysler said it plans to sell 2,500 of them annually.

While boasting of its progress and goals, Chrysler urged regulators to give the auto industry a "breathing period." And the company asked energy suppliers to prepare infrastructures to make methanol, natural gas and electricity more accessible.

Feb. sales rise 6.6%; Saturn at new peak

JIM HENRY
Staff Reporter

February sales showed strength in spots, particularly the Big 3 bastion of light trucks.

And sales continued to grow for General Motors' Saturn operation, which set another monthly record.

"Saturn is now standing on its own four tires," said Marcy Maguire, the dealer at Saturn of Bordentown (N.J.).

Helped by an extra selling day on Feb. 29, industry sales topped the 1991 figure by 6.6 percent. Nameplates with higher sales than last year outnumbered losers nearly 2 to 1.

The seasonally adjusted annual selling rate for the month was about 12.9 million cars and trucks, a 9.3 percent improvement over January, and the highest SAAR since last October.

"The ninth post-World War II recovery has started with a whimper, rather than a bang," said John Ryding, vice president for Bear Stearns & Co. Inc. He spoke at an auto industry seminar in New York last week shortly before the February figures were released.

Toyota Motor Sales U.S.A. Inc. had its best February ever. Its Lexus Division almost doubled year-ago sales.

Customers "are actually pulling out their checkbooks and spending some money," said Greg Penske, general manager of Longo Toyota and Longo Lexus in El Monte, Calif., the top-selling dealerships for both brands.

Light trucks helped the Big 3 show a 7.5 percent increase.

Robert L. Rewey, Ford's vice president of sales operations for North America, said Ford has purposely cut back on its sales to rental fleets, which disguises an increase in demand among individual consumers. A year ago, during the Persian Gulf war, fleet sales were about the only action.

"The truck market, unaffected by the transition under way in the rental business, is providing a clearer picture of the revival in demand," Rewey said.

Saturn had its best month ever, with sales of 13,035 cars. That was 27.7 percent above January, the previous high. Sales-per-outlet were around 95 for the month, keeping Saturn at the top of that list.

Like some other Saturn dealers, Maguire is preparing to open second and third dealerships, by June in her case.

Saturn began February with 137 dealerships and finished with 144. The company plans to add another 10 to 15 through March and April, said Donald W. Hudler, Saturn vice president, sales service and marketing.

As Saturn adds dealerships, the company is boosting production at its Spring Hill, Tenn., plant.

Hudler said Saturn built about 16,000 cars in February, including about 1,000 that were shipped to Canada.

He said February sales left Saturn with a slim 35- to 36-day supply of cars.

Staff Reporter Phil Frame contributed to this report.

FEBRUARY RUNDOWN ➤ 38, 39

Mexico's Big Five positioned for more growth

DAVID VERSICAL
National Editor

MONTERREY, Mexico — That rising juggernaut to the south — the Mexican auto industry — continued its course in 1991.

Industry sales increased more than 15 percent for the fourth straight year. The "Big Five" automakers — Ford, Chrysler, Nissan, Volkswagen and General Motors — helped top a decade-old sales record by selling 614,823 cars and trucks. Each of them gained sales. Each increased production.

Together, they produced 960,883 vehicles last year. More than one third of those — 341,826 — were exported, principally to the United States and Canada. Smaller truckmakers built an additional 28,490 trucks, truck tractors and buses, bringing the total industry just 10,000 units shy of 1 million.

The year also dramatized another development: parity. In 1990, more than 23,000 sales separated fifth-place Ford from second-place Nissan. In 1991, when the U.S. Big 3's Mexican arms each increased sales by more than 20 percent, only 1,450 units separated Nissan from GM at the back of the pack. But the tightness of the race made the rankings almost meaningless: GM had 113,025 sales; Ford, 113,279; Chrysler, 113,433; and Nissan, 114,475.

VW, meanwhile, stayed well ahead of the rest. Its sales jumped 10.7 percent, to 160,611. More than half of those were for the Beetle — which is an oddity for more than its 50-year-old styling. It sells for the equivalent of about $6,700 in Mexico and competes for sales against used cars.

Beetle demand still rising ➤ 34

Sales of imported cars in Mexico also climbed last year, but not as much as had been projected. The government's ban on imported cars was lifted in 1990, and as many as 15,000 had been expected to arrive in 1991.

Although the import volume did rise significantly, to 9,371 units, imports were kept in check by rules that require automakers to earn credits for importing by exporting Mexican-made parts and vehicles.

In addition to the Big Five, six other companies make trucks, tractor-trailers and buses in Mexico. Their performance was even stronger, up 68.8 percent last year.

Here are status reports on Mexico's five carmakers, based on 1991 sales statistics from the Mexican Automotive Industry Association and interviews with executives attending Mexico's annual dealer convention held in Monterrey Feb. 28-29.

Volkswagen

On the sales charts, Volkswagen de Mexico walloped the competition in 1991.

Its 160,611 car and truck sales were 46,136 more than second-place Nissan. But more than half (86,353) were Beetles, whose $6,700 sticker makes it by far the least expensive car on the market. Volkswagen's competitors question whether it makes any money. "It's not our most profitable car, but I also would not say we are losing money," says Martin Josephi, president of Volkswagen de Mexico.

VW's car sales kept pace with the car market last year. The company's three mainstream entries — the Beetle, Golf and Jetta — allow VW to dominate Mexico's popular car segment. In 1992, Josephi says, the company is planning a 15 percent increase in production with the addition of the resigned Golf and Jetta in May.

Josephi: Beetle bolstered

The company's weakness is trucks: VW sold 11,965 units in Mexico last year; Nissan, its closest competitor, sold three times as many. "We have not given up our hopes" of adding additional truck entries, says Josephi. But the parent company is in Europe, where trucks don't get the attention that they do in other markets, he says.

Although Mexico is the North American production base for Golf and Jetta models sold in the United States, VW built just 54,667 export units last year. Only Nissan exported fewer vehicles. Volkswagen's Mexican trade balance also limited the number of imported cars it could sell to 60, all of them Passat sedans and wagons.

Nissan

Nissan Mexicana's 1.5 percent sales increase was the smallest among Mexican carmakers last year, but its 114,475 sales were enough to set a record, says Seiroku Ochi, sub-director for commercial sales. Its product line is Mexico's narrowest: the Tsuru (Sentra) subcompact, pickups and a passenger van.

The company also is unusual because it is the only one of Mexico's Big Five that does not export to the United States, although Nissan Mexicana does produce the old Sentra exclusively for Canada. Despite those units and vehicles shipped to other Latin American countries, Nissan is the lowest-volume exporter among the five producers.

Ochi: limited by capacity

For now, capacity is a problem. "We could have sold 20,000 more if we had sufficient capacity," says Ochi. A new plant in Aguascalientes is slated to open late this year and eventually will provide 100,000 units annually. The plant will produce a version of Japan's AD wagon, primarily for export to Japan and Latin America.

More plants, says Ochi, depend on the future of free-trade talks with the United States. And expansion of Nissan's product line hinges on continued growth in the Mexican market.

While known in Mexico for reliable, fuel-efficient family transportation, Nissan has jazzed up its line with two imports, the 300ZX and Maxima. Last year, the company sold as many of the two cars as Mexico's import rules would allow: 1,667.

General Motors

General Motors' fortunes are mixed in Mexico. Its 67,820 truck sales during the 1991 calendar year led the Mexican market by a wide margin.

But the company sold 40,455 cars, fewer than anyone else. And even though it finished last in total sales among Mexico's Big Five, GM's 1991 volume jumped 20.8 percent, compared with the previous year. Only 1,450 sales separated GM from second-place Nissan.

"1991 was a really good year for the industry and a really good year for us," says Robert Hendry, the company's president.

Hendry took the job last September while the company was enroute to a 41.5 percent jump in production, compared with the previous year. Hendry says the company sold out its 1991 model year production and is exploring ways to boost capacity from its two assembly plants. A third shift is one possibility.

Hendry: a great 1991

Last year, GM's car plant in Ramos Arizpe sent 40,000 Buick Century vehicles to the United States and 46,000 Chevrolet Cavaliers to Canada. The other plant, in Mexico City, builds S-10 and Suburban trucks, which are sold only in Mexico.

GM doesn't compete in Mexico's biggest car segment — popular cars. But the Cavalier, with 18,419 units, and Cutlass, 17,927 units, made gains in the compact class. The Century (4,108 units) was the best-seller in the luxury group.

GM's Mexican trade balance also allowed the company to import more vehicles than any of its competitors. The Cadillac DeVille, Chevrolet Corvette, Oldsmobile Eighty Eight and Silhouette generated 4,750 sales, more than twice as many as any other company.

MEXICO CAR & TRUCK SALES

	1991	1990
Cars	64,647	52,503
Trucks	47,592	38,764
Imports	1,194	675
CHRYSLER	**113,433**	**91,942**
Cars	55,545	51,412
Trucks	56,034	36,179
Imports	1,700	1,913
FORD	**113,279**	**89,504**
Cars	40,455	31,249
Trucks	67,820	61,188
Imports	4,750	1,102
GM	**113,025**	**93,539**
Cars	77,686	79,945
Trucks	35,122	32,314
Imports	1,667	557
NISSAN	**114,475**	**112,816**
Cars	148,586	133,694
Trucks	11,965	10,248
Imports	60	1,129
VOLKSWAGEN	**160,611**	**145,071**
Cars	386,919	348,803
Trucks	218,533	178,693
Imports	9,371	5,376
TOTAL BIG 5	**614,823**	**532,872**
OTHER*	**28,158**	**17,443**
TOTAL INDUSTRY	**642,981**	**550,315**

*Truckmakers Dina, Kenworth, Mexicana de Autobuses, Mercedes-Benz, Victor Patron and Trailers de Monterrey; includes tractor trailers and buses.
Source: Mexican Automotive Industry Association

MEXICO CAR & TRUCK PRODUCTION

	1991	1990
Cars for Mexico	64,567	52,472
Cars for export	67,921	55,899
Trucks for Mexico	47,635	38,764
Trucks for export	13,998	20,318
CHRYSLER	**194,121**	**167,453**
Cars for Mexico	55,021	45,987
Cars for export	111,983	88,604
Trucks for Mexico	55,519	35,903
FORD	**222,523**	**170,494**
Cars for Mexico	38,862	32,782
Cars for export	86,801	40,993
Trucks for Mexico	66,851	62,311
GM	**192,514**	**136,086**
Cars for Mexico	77,697	79,953
Cars for export	20,454	18,497
Trucks for Mexico	35,143	32,314
Trucks for export	9,530	5,698
NISSAN	**142,824**	**136,462**
Cars for Mexico	142,411	134,357
Cars for export	54,667	48,549
Trucks for Mexico	11,823	10,290
VOLKSWAGEN	**208,901**	**193,196**
Cars for Mexico	378,558	345,551
Cars for export	341,826	252,542
Trucks for Mexico	216,971	179,582
Trucks for export	23,528	26,016
TOTAL BIG 5	**960,883**	**803,691**
Trucks for Mexico	28,485	16,875
Trucks for export	5	10
OTHER*	**28,490**	**16,885**
TOTAL INDUSTRY	**989,373**	**820,576**

*Truckmakers Dina, Kenworth, Mexicana de Autobuses, Mercedes-Benz, Victor Patron and Trailers de Monterrey; includes tractor trailers and buses.
Source: Mexican Automotive Industry Association

Ford

Ford surpassed VW to become the Mexican industry's biggest producer last year. Car and truck output increased 30.5 percent, to 222,523 units. About half were Escorts and Tracers built in Hermosillo and sold in the United States.

Ford also posted the industry's largest gain in Mexican sales. Overall volume rose 26.6 percent, largely on the strength of trucks. With that increase, Ford joined GM as the only Mexican carmakers to sell more trucks than cars in Mexico last year.

Barreiro: luxury leader

Last year's strong gains, however, were compared to a weak 1990, when both of Ford's assembly plants were closed early in the year for changeover or labor problems.

The company leads the Mexican market's luxury segment, where it sells the Cougar and Grand Marquis. Managing Director Victor Barreiro reports a four-month waiting list for the Grand Marquis, which replaced the Taurus (U.S. Sable) last fall. The Thunderbird is the industry's only entry in the sport segment.

Those models as well as the Topaz (U.S. Tempo) and Ghia (a V-6 Tempo) are all built at Ford's plant in Cuautitlan, near Mexico City. Barreiro calls the complex, which produces trucks on one line and cars on two others, "the most complex assembly plant in the Ford world."

The high percentage of U.S. and Canadian content on the Escort and Tracer means they generate few import credits for Ford when they are sent to the United States. Ford of Mexico's 1991 imports were limited to 1,700 Lincoln Town Cars and Ford Aerostars and Explorers.

Ford's engine plant in Chihuahua has been closed for retooling. It will resume production in 1993 when it begins building Ford's new four-cylinder Zeta engine.

Chrysler

Chrysler's strategy for Mexico is simple, says Jose de la Pena, the firm's executive director for sales and marketing: Use the Shadow, which starts at the equivalent of about $12,300, to attract first-time buyers. And then build from there into more profitable segments of the market.

Sales of the Shadow and a bigger Chrysler compact, the Spirit, totaled 57,219 last year. Together, they led Chrysler to the top of Mexico's "compact" segment. Chrysler also sold 7,428 LeBaron sedans, New Yorkers and Phantoms (LeBaron coupe) to take nearly a third of the "luxury" class.

Overall Chrysler sales rose 23.4 percent last year, to 113,433. The Spirit was Chrysler's best-selling car (31,532); the Ramcharger (14,309) was its hottest truck.

Chrysler gained on the competition, says de la Pena, when it started 1992-model-year sales with a minimal price increase in midsummer, about six weeks ahead of the competition.

de la Pena: building

Chrysler de Mexico also makes the LeBaron sedan, Shadow convertible, Spirit, Acclaim, Ram Club Cab and Ramcharger for the United States. Export production rose 7.5 percent last year to 81,919 units, nearly all of it bound for the United States.

On the import end, Chrysler brings in the Imperial, Wrangler and Voyager. Sales nearly doubled in 1991, to 1,194 units.

Falling interest rates, a growing economy and a rising vehicle population will help keep the market strong, says de la Pena.

He predicts "moderate" growth for 1992.

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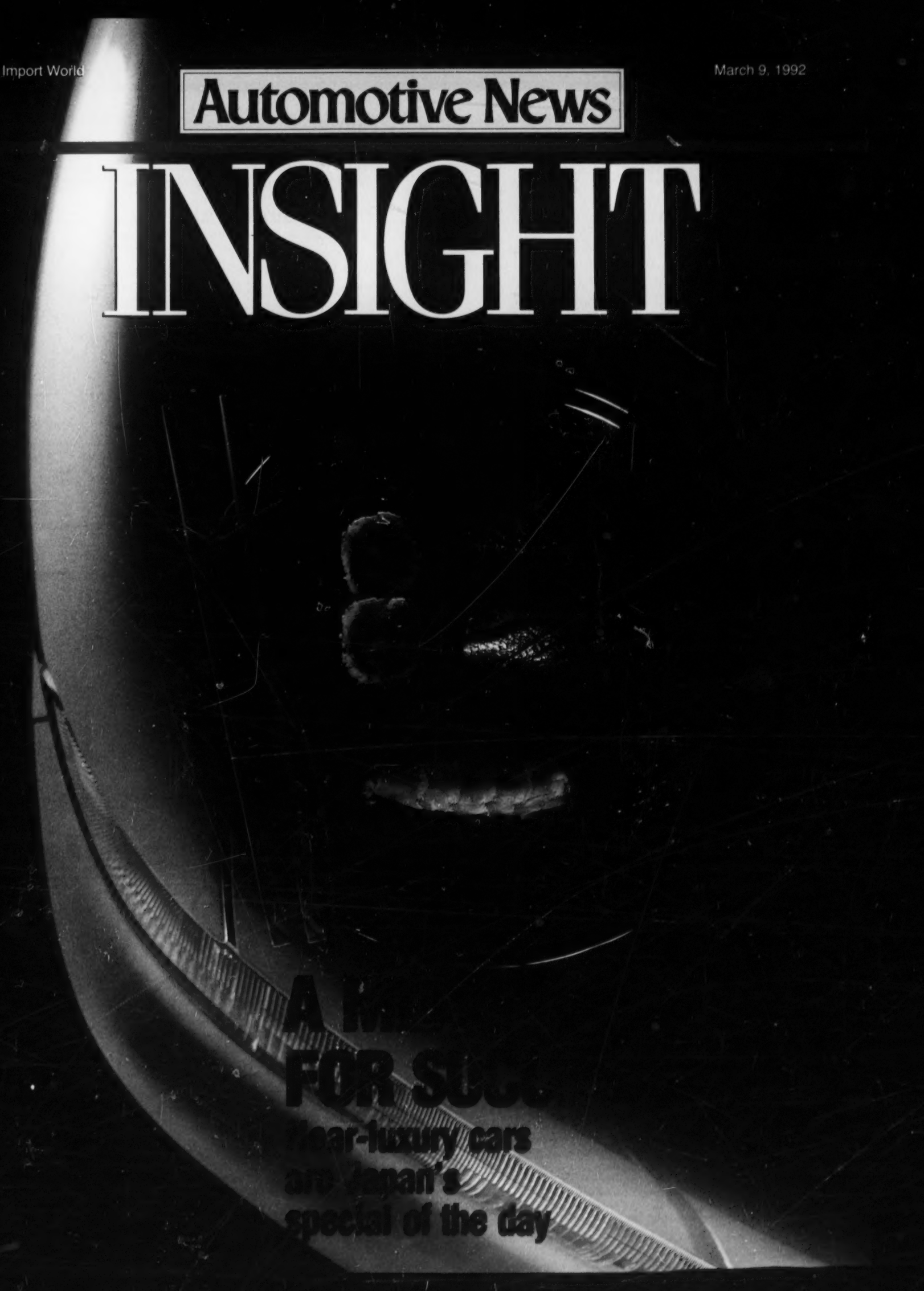
INSIGHT



A R
FOR SU
ear-luxury cars
are Japan's
special of the day

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INSIGHTS

CHINESE BUY U.S. TEST GEAR: The Shanghai Automotive Research Institute has ordered $3.1 million in fatigue and durability test systems and consulting from MTS Systems Corp. of Eden Prairie, Minn. The institute in China is building a research laboratory in Shanghai. Sale includes a road simulation system and a multi-axle durability simulation system.

MERCEDES MIRRORS U.S.: Gentex Corp. of Zeeland, Mich., maker of high-tech automatic dimming mirrors, said it has a $4.2 million in additional orders from Reitter and Schenfenacker GmbH & Co. of Esslingen, Germany. The order covers elements and subassemblies that will be used in advanced-feature mirror on several Mercedes models.

U.S. ROBOTS GOING ABROAD: ISI Robotics Inc. of Fraser, Mich., has been named supplier of stamping automation equipment to General Motors' Vauxhall plant in Ellesmere Port, England, and Steyr Nutzfahrzeuge AG's plant in Steyr, Austria. Together, the orders amount to about $2 million. GM's equipment will be used in building the new Astra car and Steyr will use its in producing mid-sized trucks.

MEXICO LURES PART MARKERS: There are about 500 auto parts manufacturers in Mexico and that number is expected to grow substantially in the years ahead, says the Mexico Investment Board. Most Japanese operations are maquiladoras, companies looking ahead to free trade and the need to expand in the country on a large scale. A study funded by the board found Japanese investors the most cautious. But the study shows more manufacturers believe production in Mexico is a key to global competitiveness.

ROBOTS HEAD FOR KOREA: Apollo Industrial Co. Ltd. of Kyongju, Korea, supplier of plastic bumpers to Hyundai Motor Co. in Seoul, is buying 21 painting robots in a $4.75 million-order from ABB Graco Robotics Inc. of Plymouth, Mich. ABB Graco is part of Asea Brown Boveri of Stockholm, Sweden.

NISSAN GOES SHOPPING: Nissan has placed its first order for aluminum wheels, including design responsibility for wheel development. Value of the order totals $12 million, with shipments to begin in spring 1993. The new wheels will be made in La Mirada, Calif., for vehicles built in Japan. Nissan Motor Co. Ltd. said the agreement with Kelsey-Hayes Group of Romulus, Mich., is the first since Nissan President Yutaka Kume announced plans to increase the company's parts procurement goal from North American suppliers. "Kelsey-Hayes provides a good example of qualified American suppliers," says Januchi Hashiuhi, director of purchasing strategy at Nissan.

MORE NISSAN BUYS: Nissan is also buying $4 million of machine tools from Ingersoll Milling Machine Co. of Rockford, Ill. The purchase is of transfer lines to be used in a new plant in Iwaki City, Japan, to machine bearing caps for a new Nissan six-cylinder engine going into post-1994 models. Nissan said the decision to buy machine tools from Ingersoll was influenced by the positive experience Nissan has had using U.S.-made machine tools at its Smyrna, Tenn., plant.

LONG HAUL TIRE: Bridgestone/Firestone Inc. of Nashville, Tenn., is adding an S speed-rated tire to its Turanza tire line. Carrying an 80,000-mile tread wear warranty, the tire is designed for U.S. sedans such as the Cadillac Seville, Ford Crown Victoria, Pontiac Bonneville and Chrysler LeBaron. The tiremaker said that in the past tires built for long tread life could not provide the comfort, quiet and all-season performance buyers of those types of cars demand.

FRENCH LICK TIRE RECYCLING PROBLEMS: A French company says it has developed a process for recycling tires into a purified rubber powder. The company says the powder has uses ranging from school playground and noise-free road surfaces to toy wheels and shoe heels. Comptoir Industriel des Metaux et Plastiques' recycling method uses only mechanical procedures to shred and separate the tires. Little power is required, the method is pollution free and two men can process about two metric tons of tires an hour, said the company, based in Crepy-en-Valois. Huge scissor-like cutters reduce the tires to smaller and smaller pieces and magnets remove metallic materials.

NON-STOP BRAKE EXPANSION: Kelsey-Hayes Group is going to manufacture and sell its car and light-truck Electronic Brake Control 10 (EBC 10) globally. The Romulus, Mich., firm said its new four-wheel system is 50 percen lighter, significantly smaller and more cost-effective than others. EBC 10 had its U.S. introduction at last month's SAE Conference and Exposition in Detroit. Kelsey-Hayes recently opened a sales and engineering office in Frankfurt, Germany, and is investigating European partnerships and joint ventures. In Japan, Kelsey-Hayes is expanding its Tokyo sales and engineering office and is in the final stages of a year-long joint-venture discussion with a Japanese manufacturer.

French-built tire shredder can process up to two metric tons of old tires per hour.

Niche du jour

Japanese entrees focus attention on the near-luxury segment

By: Kristine Stiven Breese

Last July, automotive industry research giant J.D. Power and Associates added a new category to its literature, product analysis and rankings: the near-luxury segment.

It's not that the niche, sandwiched between high-end mass-market cars and low-volume luxury cars, didn't exist before. But it wasn't until the Japanese moved into it that the industry really took notice.

As defined by Power, the segment now includes 16 different models — six Japanese, six European and four domestic nameplates. Last year it grew 4.0 percent to 350,817 units.

After a slow start, the Japanese importers are now considered the segment pace setters with the introduction of five such products in the last 18 months.

Two Infinitis (the M30 and the G20), the Lexus ES300, the Acura Vigor, the Mitsubishi Diamante and the Mazda 929 are the best known players in the segment, and the reason it exists.

"When Mitsubishi launched the Diamante last May, it became necessary to find another word for these cars, which are luxurious but not exactly 'luxury,' " says Todd Turner, an editor in J.D. Power's publications division.

Even though most agree with Turner that the segment now exists as a separate entity, there is less agreement on how to define it. Even Turner admits the parameters are somewhat fluid.

"They cost between $20,000 and $30,000 — usually," he explains. "Their engines are 2.5 liters to 3.5 liters — most of the time. They're usually six-cylinders — but not always. They're larger than the mid-sized cars, with about a 105-inch wheelbase.

"Although the Honda Accord is bigger than that, it's not near-luxury," adds Turner. "And the G20, which is considered near-luxury, has a wheelbase that's only 100.4 inches."

Turner says that when Infiniti introduces its new J30 sedan this spring, Power will bump the G20 down to an "upper middle sedan" segment.

"Obviously, the definition is not set in granite," he says.

Early rumblings by the Japanese in the segment began in late 1989 when Toyota Motor Sales U.S.A. Inc. and Nissan Motor Corp. in U.S.A. launched their Lexus and Infiniti divisions. Each brought two products to market, a V-8 flagship sedan and six-cylinder entry-level car. The flagships were priced in the $40,000 range, the entry-level models around $25,000.

In both cases, the launches pivoted on the success of the top-of-the-line model. And that's where the companies spent most of their energies.

Indeed, both entry level cars, the Lexus ES250 and Infiniti M30, were remakes of other cars in the automakers' Japanese market lineups, and came across as little more than after-thoughts to most of the automotive press.

Even so, everyone needed a term to describe the cars. They weren't quite luxurious, at least not when compared to their high-end siblings. But they weren't mid-level, mass-market vehicles either.

Slowly, sporadically, the word "near" began to appear before the word "luxury" when the cars were described.

Susan Jacobs, president of Jacobs Automotive Inc., a research firm in Little Falls, N.J., says that while the Japanese get the credit, they did not actually create the segment. She says the Europeans founded it, but nobody called it that at the time.

"What first drew the attention of the Japanese to the segment was the success BMW had with the 3 series in the 1980s," she says. "They wanted to get in on the action."

Jacobs notes that American Honda Motor Co.'s Acura Division was the first Japanese company to jump in, but the momentum has been captured by Lexus and Infiniti.

Jacobs says that there are two ways to look at near-luxury: top-end Toyotas, Mitsubishis, Mazdas and Oldsmobiles, for example, "that don't have a luxury badge associated with them"; and cars at the low end of the luxury market "which are under $30,000" but have a luxury badge.

She says the second definition is the most viable one for the future, for two reasons.

Most importantly, a separate luxury division gives the company an ability to start from scratch and build an entire corporate culture around a new luxury philosophy. In that scenario, the product is almost secondary to the image and service of the brand in drawing customers.

Second, Jacobs says, simply topping off an existing line with a new high-end product will only bring in one-time buyers. Someone who buys a Mitsubishi Diamante, for example, may love the car, but when ready to buy another car, the buyer has nothing to move up into.

Mazda Motor of America hopes to play on both sides of the near-luxury game. Its new 929 is the first luxury class car the company has ever sold. And just when some of the current 929 buyers are ready to trade up, Mazda's Amati luxury channel will be open for business.

"The near-luxury segment, especially products that have a luxury nameplate, will grow because it can expand from both ends," Jacobs says. "Consumers will stretch to get into a luxury nameplate, even the low end, because of the image and service. And when the economy is weak, people who had aspired to buy the top-of-the-line car may find they have to lower their sights a bit, but they can still stay with the nameplate."

Lexus General Manager J. Davis Illingworth calls the near-luxury segment "crucial" to Lexus' future because it gives people entree into the rarefied world of luxury car buying.

Illingworth defines near-luxury as the $25,000 to $35,000 price range. While he doesn't feel the economy will keep too many interested buyers out of the LS400, he does think some people are waiting "and buying just one more car" before they upgrade to a high-end V-8 sedan. □

Kristine Stiven Breese is a Los Angeles-based staff reporter for Automotive News.

IMPORTED CAR SALES — 1991 CALENDAR YEAR

BY SIZE CLASS DESIGNATION
(Ranked by sales per segment)

Subcompact	
Toyota Tercel	102,043
Chevrolet/Geo Storm	77,186
Honda Civic/CRX	73,681
Hyundai Excel	66,376
Toyota Corolla	57,471
Mazda Protege	53,474
Mercury Tracer	45,422
Ford Festiva	42,080
Pontiac LeMans	34,700
Nissan Sentra	33,818
Subaru Loyale	30,552
Dodge/Plymouth Colt	27,280
Hyundai Scoupe	26,421
Toyota Paseo	22,838
Mazda 323	18,369
Mitsubishi Mirage	17,739
Chevrolet/Geo Metro	13,882
Isuzu Stylus	10,143
Eagle Summit	9,931
Dodge/Plymouth Vista	8,884
Nissan NX	8,211
Subaru Justy	6,741
Daihatsu Charade	6,202
Toyota Cabriolet	5,401
Suzuki Swift	4,846
Mazda MX-3	4,667
Volkswagen Corrado	4,331
Mitsubishi Precis	3,329
Yugo	3,092
Isuzu Impulse	3,059
Mitsubishi Expo LRV	1,773
Isuzu I-Mark	99
Nissan Pulsar	33
Compact	
Acura Integra	64,755
Toyota Celica	60,187
Volkswagen Jetta	38,017
Nissan 240SX/200SX	31,004
Honda Prelude	27,672
Volkswagen Golf/GTI	14,340
Volkswagen Fox	13,463
Hyundai Elantra	3,867
Mitsubishi Expo	3,074
Mazda MX-6	1,701
Subaru XT/XT6	1,573
Subaru SVX	1,513
Mitsubishi Wagon	204
Alfa Romeo Milano	6
Volkswagen Quantum	2
Intermediate	
Nissan Maxima	99,026
Honda Accord	76,209
Nissan Stanza	73,475
Toyota Camry	72,807
Mitsubishi Galant	38,742
Hyundai Sonata	20,966
Volkswagen Passat	16,134
Subaru Legacy	15,592
Infiniti G20	13,929
Mazda 626	11,702
Saab 900S	6,874
Saab 900 Turbo	4,733
Saab 900	4,646
Peugeot 405/505	3,575
Mitsubishi Sigma	150
Specialty	
Mazda MX-5 Miata	31,240
Mercury Capri	21,200
Dodge Stealth	18,352
Nissan 300ZX	14,903
Mitsubishi 3000GT	11,777
Toyota MR2	9,676
Mercedes SL Coupe/Roadster	7,446
Mazda RX-7	6,986
Toyota Supra	3,623
Jaguar XJS	2,738
Porsche 911 Carrera 2	2,101
Acura NSX	1,940
Alfa Romeo Spider	1,317
Chrysler's TC by Maserati	1,077
Ferrari*	960
Porsche 944S/Cabriolet	862
Porsche 911 Carrera 4	748
Porsche 911 Turbo	415
Lotus*	324
Lamborghini*	156
Luxury	
Acura Legend	65,689
Lexus LS400	36,955
Volvo 700 series	29,198
Mercedes 300 class	18,916
Mercedes S class	17,972
BMW 5 series	16,655
Infiniti Q45	14,622
Mercedes 190 class	13,750
Lexus SC400	11,775
Audi 100/200	7,166
Jaguar XJ6	6,638
BMW 7 series	5,508
BMW 850i	1,711
Audi 90	1,136
Audi 100/200 Quattro	1,125
Rolls Royce/Bentley*	610
Audi V8 Quattro	527
BMW M5	455
Audi Coupe Quattro	364
Maserati*	240
Aston Martin	60
BMW 635 CSi	12
Standard	
Volvo 240 series	23,999
Near Luxury	
BMW 3 series	28,618
Lexus ES250/300	22,476
Mazda 929	16,148
Mitsubishi Diamante	15,595
Volvo 940 series	14,032
Acura Vigor	11,324
Toyota Cressida	9,547
Infiniti M30	6,339
Saab 9000S	4,392
Saab 9000CD	3,042
Saab 9000 Turbo	2,294
Alfa Romeo 164	2,155
Audi 80	1,965
BMW M3	384

*Estimate

Turnabout Is Fair Play

Saturn puts the import shoe on the other foot

By: Lindsay Chappell

Don Hudler sounds gleeful these days.

Word is filtering up to the Saturn Corp. vice president of sales, service and marketing that his import competitors are getting itchy about the young upstart U.S. small-car line. Some Saturn dealers say they have been approached by representatives from Japanese import lines that they also handle, wanting to know more about Saturn.

"Our Japanese competitors are starting to look at us," Hudler says. "They're asking our dealers, 'How are they really doing this? How are they pulling it off?' We tell them. The response has been: 'Gee, we're doing those things.'

Hudler

"They seem to be looking for some magic formula," Hudler adds. "It's no more complicated than picking the right people, building the right product, pricing it right, treating customers right, and it works. But it's so simple, people look right past it."

Hudler's words seem to flow from a text of speeches given throughout the 1980s by executives from American Honda Motor Co., Toyota Motor Sales U.S.A. Inc. and Nissan Motor Corp. in U.S.A.

Japanese importers have smoothly lectured the American industry for a decade on the wisdom of doing things simply and well. Taking copious notes in those days were people like Hudler and the team which would launch Saturn, "the import fighter," in 1990.

Now, to hear Saturn's sales boss tell it, the shoe is on the other foot.

As of February, according to company surveys, 53 percent of Saturn's national sales were coming from import buyers. More than 70 percent were coming from outside of parent company General Motors. Hudler says the company expects that share to increase by about 5 percentage points a year.

In California, the all-important market where import sales rule the roost, Saturn sold 8,127 units in 1991. About 65 percent of its sales there were plucked away from the Asian imports.

In January, Saturn supplanted Lexus as the nation's highest sales-per-dealer car line, with average sales of 83 cars a month. That had been a position long dominated by arch-rival Honda. Saturn also passed Honda and Toyota to claim the industry's No. 2 spot on the J.D. Power and Associates Dealer Satisfaction Survey.

In a small-car market segment that the Big 3 had once about given up on for lack of profit potential, Saturn has emerged as the industry's third most profitable car line, according to J.D. Power calculations. The top two are luxury imports Lexus and Infiniti.

It may be worth asking again that stray question from import land: How is Saturn doing it?

The answer: Simply by copying the imports. Starting a decade ago, Saturn set out to identify and reach out to the typical import buyer. The $3 billion startup "literally adopted the Honda-Toyota-Nissan owner base" as its own, according to Hudler.

Through consumer studies, Saturn asked what import-buyers wanted in a product, from design to engine power. Saturn planners studied the sales transaction to see how potential buyers wanted to shop and buy. That led them to a simplified pricing policy, with costs laid out in writing, no haggling and no confusing factory incentives.

They questioned preferences in retail store design, discovering that buyers preferred open and bright shopping environments. They considered the import buyer's personality and how he views himself — a question that flavored the advertising blitz that cost the carmaker more than $59 million in its first full year.

"I acknowledge that these are easier things for a new company with no existing customer base to do than for an existing company," Hudler says. "We've ended up with an owner base that actually mirrors the Honda-Toyota-Nissan base, which is exactly what we set out to do. It's been almost scary how well it's worked."

Consider one consumer family: Tom and Ibba Surface in Nashville, Tenn. The two 30ish professionals have two kids under 8. Tom works in management for a telecommunications firm and Ibba is a structural engineer. Last summer, after years of relying on a Volvo station wagon as the family car and a variety of used cars for their second car, the couple bought a new Saturn SL.

"It had to have four doors, have room for five passengers and be cheap," Tom Surface says. "We also wanted to 'Buy American.'"

Their shopping stopped after they strolled into a Saturn dealership.

"It was a different kind of sales experience," Surface says, souding remarkably like Saturn's "different kind of company" TV ad line. "Salesmen didn't latch onto us. They quoted us a price of $9,500 that was firm, and we thought was their honest price. Somewhere else, we could have gone through the tedium of haggling with a salesman to get it down to $9,500, but then we would have always wondered whether the next guy got it for less."

Apparently, the transaction converted them. Two months later, when Ibba was blindsided at an intersection and the new car was totaled — she walked away uninjured — they went back for their second new Saturn SL. Surface says he happily paid another $900 attributed to insurance deductible, depreciation and a $200 new-model price increase.

The couple comes close to Hudler's description of Saturn's typical import buyer.

"Import buyers are typically younger than most domestic buyers," he says. "They're more knowledgeable about cars, better educated with higher incomes. Their values in a product are really driven by the price-value relationship. They want more functionality. They want a practical car, and one that's reliable."

If that somehow makes import buyers — and more specifically, Saturn buyers — different from the rest, the opportunity isn't lost on the Spring Hill, Tenn., manufacturer. Saturn is pushing its "A different kind of car, a different kind of company" advertising line hard. With ads that feature usually young, slightly free-spirited individual buyers, the company is seemingly attempting to create an alternative lifestyle kind of car line. Hudler acknowledges the direction.

That same spirit of independence, or desire to be different, may have helped start the import avalanche in the first place 20 years ago. Its appeal today seems to be striking a new chord among buyers, especially in Saturn's California markets.

"There are people in California who are in their mid-40s whose kids are growing up in a family that has never owned a domestic car," Hudler says. "The people out there aren't particularly into Japan bashing. Asian imports caught on there initially because of their fuel-economy advantage, then because of quality. If we can succeed in an environment like that, it will be a barometer for how well we do in the rest of the country."

If California is Saturn's most important trial, its second most critical region is a corridor stretching from Richmond, Va., up through New England. The company doesn't talk about it as much, but the mid-Atlantic-Northeast region also has a high saturation of import loyalty that Saturn wants to tap.

That will mean building more name recognition. Despite the hoopla that has surrounded the mammoth venture in automotive circles, the Saturn name is still an unfamiliar one to most of the general car-buying public.

Meanwhile, the company is pushing for more retail stores. There were 138 Saturn stores as of February. Plans call for 260 by year-end. Dealers have also been asked to step up plans to open second and third stores within their exclusive market areas.

"The pack we're running with is running at a sprint," he says of the import competition. "They're improving too. And it's tough to keep pace."

Since Saturn made its debut in October 1990, Honda introduced a new Accord wagon and new Civic. Toyota introduced a new Camry and will introduce a new Corolla next fall. Nissan will introduce a remodeled Stanza this year.

Hudler believes a general trend toward larger cars among the importers may spell increased opportunity for Saturn. "There will remain a basic desire for transportation in our size of products. As others move up in size, it leaves more room for us in that category.

"Our job was to go after the imports," he says. "They may be moving, but we'll never take our eyes off of them." □

Lindsay Chappell is an Automotive News staff reporter based in Nashville, Tenn.

A Star Is Born?

Mitsubishi's Richard Recchia finds himself center stage in the import debate

By: Kristine Stiven Breese

Maybe Richard Recchia is comfortable talking about imports because he comes from a family of them.

The Mitsubishi Motor Sales of America Inc. executive vice president is a first-generation Italian American who grew up in Detroit.

Recchia said growing up in the city and "coming from an immigrant family" taught him core values about fair play and hard work.

It is those values, as much as his 20 years in the auto industry, that have spurred him to speak out aggressively on fair trade and competitiveness, turning him into the unofficial spokesman for the import industry.

Recchia, 52, appeared recently on "60 Minutes" and before large industry audiences at the Automotive News World Congress and National Automobile Dealers Association convention. He used each opportunity to defend the Japanese from claims that they are to blame for the Big 3's market malaise.

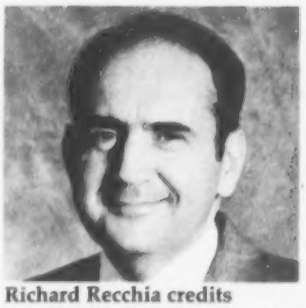
During his NADA speech, Recchia criticized the "latent racial prejudice" that has emerged in the auto industry recently. He also said that the Japanese should not be blamed for "every problem in the U.S. economy . . . or rising unemployment in the U.S. auto industry."

Discussing his background in a recent interview, Recchia said his immigrant roots taught him that America should mean opportunity and equality for everybody.

"My dad and the people in our neighborhood were laborers, not big executives. We knew that this was a land of opportunity and that the harder you work, the more successful you're going to be," he said. "Everybody has the same shot. That's what we were taught from the beginning."

Even as his industry stature rises, Recchia is called by some an unlikely choice for the job of import spokesman. He runs one of the so-called second-tier import companies; Mitsubishi was the fifth-largest Japanese importer in 1991, selling 152,811 units fewer than fourth-place Mazda.

And Recchia's affable and laid-back style seems more effective one-on-one and in small groups than at a podium in an auditorium. His persona is more favorite uncle than blood and thunder activist.



Richard Recchia credits growing up in an immigant family for his values of fair play and hard work.

"Actually," he says, "a lot of this notoriety is accidental. I agreed to speak at these events months ago, and who knew then what the political situation would be now? It just all came together."

But Recchia admits that he could have tackled far less sensitive matters than the trade debate in his speeches. But he says he had no choice.

"We don't have anybody in the import industry that has the charisma or the draw of Iacocca, Stempel or Poling," he points out. "So it was imperative, when there was the opportunity to speak on an almost national scale, to use it to speak out on something I feel strongly about, as do our dealers and all people in the import industry."

Although Recchia said he didn't go after his industry spokesman role, he has been pushing NADA for years to have an import executive as keynote speaker at the annual meeting. Recchia became the first one this year.

Recchia started his automotive career in 1963 with Chrysler Corp. He worked there for 15 years, rising to general sales manager of the Automotive Sales Group.

While at Chrysler, Recchia worked with most of the executives who now run the distribution and marketing arms of the Asian importers.

Those he worked with include: Robert McCurry, Toyota Motor Sales U.S.A. Inc. executive vice president for sales and operations; Al Wagner, Toyota's group vice president of sales; Clark Vitulli, senior vice president and chief operating officer at Mazda Motor of America Inc.; George McCabe, Mazda Division group vice president and general manager; and Rod Hayden, executive vice president and chief operating officer, Hyundai Motor America.

Recchia left Chrysler in 1978 to become president of Fiat Motors of North America, importer and distributor of Fiats and Ferraris.

In the fall of 1980, Recchia packed his bags for California to take a job as consultant for Mitsubishi Motors Corp. when they were exploring an independent move into the U.S. market. Prior to that, Mitsubishi had merely been supplying cars to Chrysler.

Recchia said it was harder to make the transition from Chrysler to Fiat than from Fiat to Mitsubishi.

"There's a huge difference between working for an import company and working for one of the Big 3," he said. "In that respect, going from working with the Italians to the Japanese wasn't that big of a shock.

"I think one of the big problems in the domestic industry, that is leading to their tunnel vision, is that most of their executives don't have experience working at an import company and seeing what it takes to sell products in another country. When you interact with another ethnic group, you learn how they see this market, and you in turn see this market more clearly."

Recchia said he and "the old guys from Chrysler" who are now based in Southern California with Asian importers talk often but don't see each other except for industry events and bumping into each other on the golf course.

While Recchia likes golf, he says he would much rather mix business and pleasure by standing thigh-deep in a creek fly-fishing. He calls himself "an absolutely bona fide nut about fly-fishing," and says he would love to own a fly-fishing store or "fish my way across the country" after he leaves the auto business.

Although Recchia says he doesn't think much about life after Mitsubishi, he admits he would love to teach some day and has aspirations as an author.

"I'd love to write two books," he says. "One would be fiction. The other would be about marketing. There are a lot of business books out there, but I see a need for a book about marketing in America with an international flavor. I believe that's the future of marketing in this country." □

U.S. imported car sales by make, model year — 1991

	1991 Model Year	Pct. of Output	1990 Model Year	Pct. of Output	Pct. Change '91 vs. '90
ACURA	138,759	6.4	129,137	5.5	7.5
ALFA ROMEO	3,756	0.2	2,651	0.1	41.7
ASTON MARTIN*	60	0.0	55	0.0	9.1
AUDI	13,142	0.6	19,914	0.8	-34.0
BMW	55,736	2.6	56,430	2.4	- 1.2
CHEVROLET/Geo	94,816	4.4	124,214	5.3	-23.7
CHRYSLER MOTORS	67,734	3.1	63,947	2.7	5.9
DAIHATSU	6,768	0.3	12,056	0.5	-43.9
FERRARI*	960	0.0	880	0.0	9.1
FORD Festiva	37,222	1.7	52,723	2.2	-29.4
HONDA	202,020	9.3	234,332	9.9	-13.8
HYUNDAI	127,588	5.9	130,640	5.5	- 2.3
ISUZU	22,932	1.1	4,366	0.2	425.2
INFINITI	27,118	1.3	15,026	0.6	80.5
JAGUAR	11,780	0.5	17,454	0.7	-32.5
LAMBORGHINI*	156	0.0	143	0.0	9.1
LEXUS	65,391	3.0	51,894	2.2	26.0
LOTUS*	324	0.0	297	0.0	9.1
MASERATI*	240	0.0	220	0.0	9.1
MAZDA	143,821	6.6	161,616	6.9	-11.0
MERCEDES BENZ	66,258	3.1	68,375	2.9	- 3.1
MERCURY	66,046	3.1	39,075	1.7	69.0
MITSUBISHI	85,430	3.9	96,920	4.1	-11.9
NISSAN	266,535	12.3	308,049	13.1	-13.5
PEUGEOT	4,211	0.2	4,364	0.2	- 3.5
PONTIAC LeMans	33,741	1.6	33,742	1.4	0.0
PORSCHE	5,544	0.3	8,685	0.4	-36.2
ROLLS/BENTLEY*	844	0.0	1,100	0.0	-23.3
SAAB	26,445	1.2	24,573	1.0	7.6
STERLING	3,519	0.2	4,219	0.2	-16.6
SUBARU	62,358	2.9	91,749	3.9	-32.0
SUZUKI	5,050	0.2	5,749	0.2	-12.2
TOYOTA	343,531	15.9	378,037	16.0	- 9.1
VOLKSWAGEN	100,379	4.6	120,692	5.1	-16.8
VOLVO	71,100	3.3	87,300	3.7	-18.6
YUGO	3,418	0.2	6,987	0.3	-51.1
IMPORT TOTAL	**2,164,732**	**100.0**	**2,357,611**	**100.0**	**- 8.2**

Percentage rounded

U.S. imported-car sales — 5 years

	1991	1990	1989	1988	1987
Acura	143,708	138,384	142,061	128,238	109,470
Alfa Romeo	3,478	3,482	2,920	4,476	6,320
Aston Martin	60*	60*	34	65	64
Audi	12,283	21,106	21,283	22,941	41,322
Bertone	N.A.	N.A.	N.A.	325	845
BMW	53,343	63,646	64,881	73,359	87,839
Geo Storm	77,186	86,257	62,877	68,347	76,852
Geo Metro	14,214	42,488	52,792	48,088	60,359
Chrysler Conquest	—	896	5,026	9,873	11,217
Chrysler TC Maserati	1,077	3298	2,924	—	—
Daihatsu	6,202	10,630	15,118	11,460	—
Dodge Colt	14,823	20,784	30,040	42,331	41,787
Dodge Conquest	—	—	—	—	234
Dodge Vista	4,024	2,764	6,653	10,190	15,336
Dodge Stealth	18,352	3,302	—	—	—
Eagle	9,931	13,210	23,028	19,315	13,991
Ferrari	960*	960*	805	N.A.	1,054
Ford Festiva	42,080	52,520	69,328	69,167	26,750
Honda	177,562	252,377	251,569	265,122	312,218
Hyundai	117,630	137,448	183,261	264,282	263,610
Infiniti	34,890	23,960	1,723	—	—
Isuzu	13,301	5,837	16,296	24,520	39,587
Jaguar	9,376	18,728	18,967	20,727	22,919
Lamborghini	156*	156*	167	150	124
Lexus	71,206	63,534	16,302	—	—
Lotus	324*	324*	290	323	170
Maserati	240*	240*	280	733	932
Mazda	144,287	153,055	184,583	224,719	206,354
Mercedes-Benz	58,868	78,375	75,714	83,627	89,918
Mercury	66,622	45,188	66,731	15,261	14,301
Mitsubishi	92,383	99,630	79,751	69,975	67,954
Nissan	264,698	312,406	396,202	360,745	405,996
Peugebt	3,575	4,292	6,095	6,713	9,422
Plymouth Colt	12,457	18,818	28,259	37,554	37,580
Plymouth Conquest	—	—	—	—	139
Plymouth Vista	4,860	2,666	6,257	9,249	14,044
Pontiac LeMans	34,700	39,081	44,641	64,037	35,564
Porsche	4,388	9,139	9,479	15,732	23,632
Renault	—	—	—	—	—
Rolls/Bentley	450*	1,200*	1,216	2,801	1,208
Saab	26,103	26,397	31,549	38,490	45,106
Sterling	2,744	4,015	5,907	8,901	14,171
Subaru	55,707	92,729	136,111	155,946	175,864
Suzuki	4,845	6,525	6,009	524	—
Toyota	338,192	367,134	448,249	616,529	583,809
Volkswagen	91,688	129,705	128,503	143,861	130,641
Volvo	67,697	89,894	102,620	98,497	106,539
Yugo	3,092	6,359	10,576	31,545	48,812
TOTAL IMPORTS	**2,103,762**	**2,452,999**	**2,757,077**	**3,068,738**	**3,144,054**
Japanese	**1,493,974**	**1,720,684**	**1,910,993**	**2,102,725**	**2,172,791**
European	**405,447**	**503,266**	**548,017**	**568,527**	**645,339**
Korean	**194,410**	**229,049**	**297,230**	**397,486**	**325,924**
Captive Import	**300,326**	**331,272**	**398,556**	**393,412**	**348,154**

*Estimate

Imported car sales tumble 14.2% in 1991

By: Karen Detkowski

Imported car sales in the United States fell 14.2 percent in the 1991 calendar year. A total of 2,103,762 units were sold, representing the lowest sales tally for importers since 1977 when 2,071,100 cars were delivered.

Japanese car sales in the United States fell 13.2 percent from 1990 despite increases from a handful of makers and several new model introductions.

Increases in Japan makes were reported at Acura, 3.8 percent; Infiniti, 45.6 percent; Isuzu, 127.9 percent; Lexus, 12.1 percent; Chrysler's captive-import Dodge/Plymouth Vista, 82.3 percent; and a considerable increase in captive-import Dodge Stealth, which was introduced in October 1990.

European sales in the United States declined 19.4 percent from 1990, when sales were up for the first time since 1987.

The increase in 1990 was punctuated by a late-year rush as buyers moved to avoid a 10 percent luxury tax on the purchase price above $30,000 that became effective on Jan. 1, 1991.

Sterling Motor Cars and Peugeot Motors of America Inc. withdrew from the U.S. market in August 1991.

The only increase in European nameplates for 1991 came from Ford-Mercury captive-imports, 47.4 percent.

Korean makers, comprised of Hyundai, Ford captive-import Festiva and General Motors' Pontiac LeMans, reported a sales decrease of 15.1 percent.

Of the import total, Japanese makers took 71.0 percent of sales, 19.3 percent belonged to European makers, Korean makers held 9.2 percent, and captive imports possessed 14.3 percent.

Imported car sales divided by size classification shows subcompacts as the largest segment with 39.4 percent of the market.

Intermediate models totaled 21.8 percent; compacts, 12.4 percent; luxury models, 11.4 percent; near-luxury cars, 7.3 percent; specialty cars, 6.6 percent; and standard models, 1.1 percent.

The five top selling imported cars, in order, were the Toyota Tercel, Nissan Maxima, Geo Storm, Honda Accord and Honda Civic/CRX.

New models introduced in the 1991 calendar year included the Acura Vigor, Hyundai Elantra, Mazda MX-3, Mitsubishi Expo and Expo LRV, Subaru SVX and Toyota Paseo. □

Karen Detkowski is a statistician for Automotive News.

U.S. imported car sales

(1991 thru 1980)

1991	2,103,762
1990	2,452,999
1989	2,757,077
1988	3,068,738
1987	3,144,054
1986	3,248,579
1985	2,841,063
1984	2,441,713
1983	2,385,734
1982	2,221,517
1981	2,326,376
1980	2,396,934

U.S. imported car sales - 1991 calendar year

	January	February	March	April	May	June	July	August	September	October	November	December	1991 Total
Integra	5,005	5,275	6,814	6,728	6,233	6,610	5,632	5,542	4,755	4,114	3,705	4,342	64,755
Legend	4,024	4,192	5,637	5,227	6,120	5,517	5,883	5,271	5,418	7,697	6,124	4,579	65,689
NSX	112	154	252	249	252	180	201	165	112	86	73	104	1,940
Vigor	0	0	0	192	1,301	1,493	1,712	1,756	1,312	1,355	1,142	1,061	11,324
ACURA	**9,141**	**9,621**	**12,703**	**12,396**	**13,906**	**13,800**	**13,428**	**12,734**	**11,597**	**13,252**	**11,044**	**10,086**	**143,708**
Milano	0	0	1	0	1	0	1	0	1	1	0	1	6
Spider	93	109	138	197	149	179	126	108	62	65	30	61	1,317
164	159	159	201	253	220	223	155	200	156	168	141	120	2,155
ALFA ROMEO	**252**	**268**	**340**	**450**	**370**	**402**	**282**	**308**	**219**	**234**	**171**	**182**	**3,478**
ASTON MARTIN*	**5**	**5**	**5**	**5**	**5**	**5**	**5**	**5**	**5**	**5**	**5**	**5**	**60**
80	176	208	151	207	138	119	135	145	143	168	182	193	1,965
90	162	149	116	96	82	65	62	56	37	87	114	110	1,136
V8 Quattro	57	60	44	38	36	27	16	46	46	69	56	32	527
Coupe Quattro	30	32	34	34	28	21	16	17	21	42	38	51	364
100/200	334	336	435	593	933	1,042	471	478	843	680	431	590	7,166
100/200 Quattro	84	89	81	83	63	61	72	88	104	105	102	193	1,125
AUDI	**843**	**874**	**861**	**1,051**	**1,280**	**1,335**	**772**	**830**	**1,194**	**1,151**	**923**	**1,169**	**12,283**
3 series	1,339	1,716	2,202	2,312	2,138	1,767	2,624	3,017	2,487	3,153	2,710	3,153	28,618
5 series	805	1,088	1,785	1,875	1,614	1,520	1,618	1,467	1,315	1,055	1,005	1,506	16,655
635 CSi	2	1	1	0	2	0	0	0	1	2	0	3	12
7 series	197	287	376	429	482	498	482	632	730	457	375	563	5,508
850i	158	199	223	225	126	103	96	65	65	95	89	267	1,711
M3	25	40	40	28	41	79	17	26	11	30	20	27	384
M5	22	34	45	42	34	39	22	26	34	53	86	18	455
BMW	**2,548**	**3,365**	**4,672**	**4,911**	**4,437**	**4,006**	**4,859**	**5,233**	**4,643**	**4,845**	**4,285**	**5,539**	**53,343**
Geo Storm	4,509	4,104	5,401	8,689	9,455	9,613	9,185	7,714	6,410	3,751	3,446	4,909	77,186
Geo Metro (import)	1,014	990	1,122	1,381	1,134	1,117	1,285	1,569	1,039	972	633	1,958	13,882
Geo Metro (domestic)	6,867	5,584	5,644	5,453	4,699	5,162	5,830	6,406	8,297	7,263	7,720	7,581	76,498
CHEVROLET/GEO	**5,523**	**5,094**	**6,523**	**10,070**	**10,589**	**10,730**	**10,470**	**9,283**	**7,449**	**4,723**	**4,079**	**6,867**	**91,400**
Colt	1,910	1,415	1,796	2,609	2,838	2,976	2,739	3,137	2,981	2,016	1,627	1,236	27,280
Stealth	1,328	1,406	1,682	1,734	1,841	1,558	1,663	1,585	1,413	1,583	1,314	1,245	18,352
Summit (import)	603	485	617	772	786	648	781	839	1,333	1,151	1,099	817	9,931
Summit (domestic)	386	439	520	731	753	686	743	1,034	1,035	833	680	440	8,280
Vista	490	499	624	632	709	756	745	1,062	1,030	1,022	744	571	8,884
TC	73	86	312	110	97	75	46	64	214	0	0	0	1,077
CHRYSLER MOTORS	**4,404**	**3,891**	**5,031**	**5,857**	**6,271**	**6,013**	**5,974**	**6,687**	**6,971**	**5,772**	**4,784**	**3,869**	**65,524**
DAIHATSU Charade	**448**	**425**	**536**	**574**	**500**	**739**	**555**	**485**	**497**	**506**	**408**	**429**	**6,202**
FERRARI*	**80**	**80**	**80**	**80**	**80**	**80**	**80**	**80**	**80**	**80**	**80**	**80**	**960**
FORD Festiva	**2,616**	**2,520**	**3,678**	**3,905**	**3,487**	**2,974**	**2,966**	**2,942**	**3,146**	**5,126**	**4,783**	**3,937**	**42,080**
Civic/CRX (import)	4,838	4,338	5,631	6,427	7,607	5,426	6,628	7,388	5,469	7,144	6,896	5,889	73,681
Civic (domestic)	6,851	7,775	9,710	11,028	16,559	15,816	17,294	20,783	17,800	13,251	10,935	11,207	159,009
Accord (import)	7,414	6,759	11,977	7,068	5,672	4,684	4,150	4,132	5,665	7,479	5,981	5,228	76,209
Accord (domestic)	15,576	17,984	32,917	29,976	33,982	39,423	22,960	32,895	26,829	30,299	20,828	19,419	323,068
Prelude	1,555	1,583	2,023	2,282	2,452	2,220	2,395	3,009	2,336	2,030	2,498	3,289	27,672
HONDA	**13,807**	**12,680**	**19,631**	**15,777**	**15,731**	**12,330**	**13,173**	**14,529**	**13,470**	**16,653**	**15,375**	**14,406**	**177,562**
Excel	4,362	5,154	6,902	5,042	4,733	5,161	6,219	8,055	8,099	4,704	4,037	3,908	66,376
Sonata	1,419	1,663	2,073	1,783	1,792	2,035	2,327	2,595	1,895	1,314	1,164	906	20,966
Scoupe	1,728	1,994	3,030	2,381	2,712	3,126	2,810	2,756	2,020	1,605	1,269	990	26,421
Elantra	0	0	0	0	0	0	0	0	0	1,120	1,540	1,207	3,867
HYUNDAI	**7,509**	**8,811**	**12,005**	**9,206**	**9,237**	**10,322**	**11,356**	**13,406**	**12,014**	**8,743**	**8,010**	**7,011**	**117,630**
M30	300	444	459	530	506	469	690	1,138	802	361	350	290	6,339
Q45	560	652	846	859	1,083	2,059	2,866	2,375	731	817	792	982	14,622
G20	1,002	809	1,084	1,073	1,194	1,660	1,885	1,289	1,224	938	899	872	13,929
INFINITI	**1,862**	**1,905**	**2,389**	**2,462**	**2,783**	**4,188**	**5,441**	**4,802**	**2,757**	**2,116**	**2,041**	**2,144**	**34,890**
I-Mark	21	17	9	16	1	10	6	3	6	7	2	1	99
Impulse	245	310	338	361	385	399	179	246	209	144	132	111	3,059
Stylus	189	342	399	907	1,508	1,924	634	859	781	866	799	935	10,143
ISUZU	**455**	**669**	**746**	**1,284**	**1,894**	**2,333**	**819**	**1,108**	**996**	**1,017**	**933**	**1,047**	**13,301**
XJ6	392	379	786	538	360	621	607	854	548	654	432	467	6,638
XJS	119	189	252	271	165	270	226	383	183	272	182	226	2,738
JAGUAR	**511**	**568**	**1,038**	**809**	**525**	**891**	**833**	**1,237**	**731**	**926**	**614**	**693**	**9,376**
LAMBORGHINI*	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**13**	**156**
ES250/ES300	1,382	1,646	1,616	1,533	1,739	1,547	1,369	721	1,586	2,914	3,049	3,374	22,476
LS400	1,746	2,653	2,843	3,128	3,465	3,442	3,735	4,045	3,437	2,991	2,536	2,934	36,955
SC400/SC300	0	0	0	0	0	1,558	1,446	1,486	1,148	2,050	1,701	2,386	11,775
LEXUS	**3,128**	**4,299**	**4,459**	**4,661**	**5,204**	**6,547**	**6,550**	**6,252**	**6,171**	**7,955**	**7,286**	**8,094**	**71,206**

*Estimate

see Page 18i ▶

U.S. imported car sales — 1991 calendar year

	January	February	March	April	May	June	July	August	September	October	November	December	1991 Total
LOTUS*	27	27	27	27	27	27	27	27	27	27	27	27	324
MASERATI*	20	20	20	20	20	20	20	20	20	20	20	20	240
323	1,824	1,283	2,259	1,619	1,468	1,148	1,440	2,007	1,240	1,347	1,369	1,365	18,369
Protege	4,370	2,420	4,060	3,499	4,964	4,149	5,546	6,550	5,524	4,813	4,012	3,567	53,474
626 (import)	1,152	1,673	1,775	2,491	1,243	837	672	680	410	346	233	190	11,702
626 (domestic)	3,920	8,148	7,659	4,781	5,004	3,174	4,005	5,385	3,945	3,879	3,735	3,032	56,667
MX-6 (import)	17	42	129	259	205	335	202	201	122	93	48	48	1,701
MX-6 (domestic)	1,561	3,509	4,479	2,851	2,161	1,518	870	960	703	805	695	557	20,689
MX-5 Miata	1,906	2,438	4,478	4,002	4,316	3,212	2,538	2,593	1,789	1,607	1,151	1,210	31,240
MX-3	0	0	0	0	0	0	0	0	0	1,204	1,616	1,847	4,667
929	747	552	1,583	1,643	1,645	1,073	1,246	1,632	460	1,956	1,690	1,901	16,148
RX-7	407	361	702	815	844	647	776	870	605	382	273	304	6,986
MAZDA	10,423	8,769	14,986	14,328	14,685	11,401	12,420	14,533	10,170	11,748	10,392	10,432	144,287
190 class	869	1,172	1,446	1,444	1,420	1,009	936	1,103	1,265	1,123	956	1,007	13,750
300 class	1,109	1,410	1,774	1,735	1,632	1,184	1,464	1,403	1,877	1,987	1,677	1,864	18,916
S class	912	709	1,134	1,348	1,718	1,854	1,859	1,916	1,518	1,744	1,689	1,571	17,972
SL Coupe/Roadster	455	663	845	808	800	691	473	563	586	592	492	478	7,446
Tourist	32	27	35	41	74	68	26	91	112	163	79	36	784
MERCEDES BENZ	3,377	3,981	5,234	5,376	5,644	4,806	4,758	5,076	5,358	5,609	4,893	4,756	58,868
Tracer	3,232	5,118	4,284	3,349	2,654	3,351	4,510	3,538	4,425	5,396	2,312	3,253	45,422
Capri	1,223	1,378	1,690	1,795	1,909	1,899	2,239	1,733	1,251	1,877	2,512	1,694	21,200
MERCURY	4,455	6,496	5,974	5,144	4,563	5,250	6,749	5,271	5,676	7,273	4,824	4,947	66,822
Diamante	0	0	20	0	1,668	2,085	2,597	2,181	1,542	1,911	1,677	1,914	15,595
Mirage (import)	1,413	4,522	2,343	3,294	2,210	512	874	525	641	928	290	187	17,739
Mirage (domestic)	692	2,846	863	2,048	1,446	1,918	2,531	1,962	1,057	622	2,549	1,684	20,218
Galant	2,415	3,930	2,455	3,544	2,714	4,393	2,976	2,381	2,990	4,453	3,847	2,644	38,742
Sigma	27	30	22	13	18	22	8	2	3	2	2	1	150
Precis	292	290	188	213	77	93	200	436	351	441	330	418	3,329
3000GT	751	946	1,381	1,340	1,306	1,120	817	638	759	901	917	901	11,777
Expo LRV	0	0	0	0	0	0	0	154	381	443	434	361	1,773
Expo	0	0	0	0	0	0	0	255	534	934	754	597	3,074
Wagon	51	40	25	26	16	13	10	5	10	4	2	1	204
MITSUBISHI	4,949	9,758	6,435	8,430	8,009	8,238	7,482	6,577	7,211	10,017	8,253	7,024	92,383
Sentra (import)	1,689	1,590	1,816	1,980	1,907	2,582	4,086	3,649	3,653	3,667	2,903	4,296	33,818
Sentra (domestic)	6,212	8,283	11,006	12,456	11,732	9,947	11,001	8,470	9,767	7,375	8,172	8,379	112,800
Pulsar	9	5	0	6	5	5	1	1	1	0	0	0	33
NX	51	178	286	565	733	875	1,181	992	958	978	764	650	8,211
Stanza	3,946	4,625	6,592	6,286	5,677	5,658	7,446	9,475	9,596	5,856	3,813	4,505	73,475
Maxima	6,475	5,679	6,365	7,697	9,513	10,985	12,146	9,159	9,644	7,880	6,725	6,758	99,026
240SX/200SX	2,131	1,996	2,596	2,662	3,348	3,171	3,848	3,001	2,828	2,368	1,498	1,557	31,004
300ZX	944	1,018	1,351	1,236	1,321	1,117	1,237	1,662	1,729	1,617	873	798	14,903
Hawaii	0	289	272	277	264	0	301	338	230	518	1,433	770	4,692
NISSAN	15,245	15,202	18,992	20,709	22,766	24,393	30,246	28,277	28,639	22,884	18,009	19,334	264,698
PEUGEOT	347	317	347	310	299	343	279	577	444	113	88	113	3,575
PONTIAC LeMans	2,289	2,024	3,055	3,294	3,343	3,563	4,170	4,029	2,895	2,367	1,155	2,516	34,700
944S/Cabriolet	53	54	85	76	91	116	132	78	62	37	30	48	862
911 Carrera 2	110	157	298	226	244	160	127	109	151	186	177	156	2,101
911 Turbo	2	25	46	48	74	51	46	29	29	23	19	23	415
911 Carrera 4	37	66	87	78	54	62	59	69	84	82	38	32	748
928S4/GT	28	20	17	29	20	21	42	22	18	22	11	12	262
PORSCHE	230	322	533	457	483	418	406	307	344	350	275	271	4,388
ROLLS/BENTLEY*	37	38	37	38	37	38	37	38	37	38	37	38	450
900	225	400	869	925	240	205	227	235	390	190	338	402	4,646
900S	256	471	1,006	1,203	489	410	422	417	767	345	483	605	6,874
900 Turbo	210	411	775	796	300	261	212	537	449	237	259	286	4,733
9000S	151	216	521	477	340	308	623	532	197	379	302	346	4,392
9000CD	106	179	326	362	214	198	405	411	250	216	166	209	3,042
9000 Turbo	78	129	249	241	157	156	260	280	164	193	184	203	2,294
Tourist	2	4	8	10	10	11	18	12	9	4	1	33	122
SAAB	1,029	1,810	3,754	4,014	1,750	1,549	2,167	2,424	2,228	1,564	1,733	2,084	26,103
STERLING	204	211	240	247	196	285	493	481	283	103	0	0	2,744
Legacy (import)	837	1,449	3,039	2,066	1,105	1,877	1,380	798	1,156	1,028	604	253	15,592
Legacy (domestic)	2,782	2,828	4,588	3,947	3,598	6,416	6,063	3,975	6,010	5,461	1,789	1,888	49,345
Loyale	2,484	2,956	2,796	3,062	2,380	2,244	2,559	2,372	2,357	2,500	2,067	2,775	30,552
XT/XT6	169	155	283	127	108	84	101	314	48	51	25	110	1,573
Justy	792	666	733	696	499	392	583	580	534	554	349	363	6,741
SVX	0	0	0	0	0	0	0	264	352	354	295	248	1,513
SUBARU	4,282	5,226	6,851	5,951	4,092	4,597	4,623	4,064	4,445	4,487	3,348	3,749	55,767
Swift (import)	390	329	404	290	442	340	474	401	527	485	456	307	4,845
Swift (domestic)	1	33	96	59	119	57	80	83	64	33	35	24	684
SUZUKI	390	329	404	290	442	340	474	401	527	485	456	307	4,845
Corolla (import)	6,017	5,270	7,155	5,847	5,776	3,617	3,614	3,175	2,692	3,532	4,558	6,218	57,471
Corolla (domestic)	6,529	7,419	10,545	8,879	12,960	11,448	16,323	17,156	11,002	16,629	11,475	11,247	141,612
Paseo	0	0	0	0	1,251	2,847	3,766	3,651	2,957	3,199	2,514	2,653	22,838
Tercel	7,807	8,060	9,039	9,530	10,222	9,052	9,729	9,673	7,198	6,573	6,342	8,818	102,043
Celica	4,183	4,893	8,203	5,646	8,251	4,504	5,083	5,505	3,935	3,898	2,830	3,256	60,187
Supra	238	293	351	335	330	312	329	327	372	379	149	208	3,623
Camry (import)	5,364	5,625	7,002	4,655	5,669	4,150	4,232	2,092	9,608	11,389	6,021	7,000	72,807
Camry (domestic)	10,470	12,516	17,693	12,666	20,733	18,811	25,951	22,664	8,255	12,346	13,347	15,549	191,011
Cressida	832	839	917	845	907	737	799	897	970	902	478	424	9,547
MR2	816	988	1,130	1,158	1,113	715	730	754	571	707	464	530	9,676
TOYOTA	25,257	25,968	33,797	28,016	33,519	25,934	28,282	26,074	28,303	30,579	23,356	29,107	338,192
Cabriolet	297	400	548	626	586	667	637	524	390	265	253	199	5,401
Corrado	408	637	663	571	529	259	185	146	131	281	231	290	4,331
Jetta	2,586	2,353	2,767	3,609	4,677	4,331	3,619	3,683	3,360	2,716	2,290	2,026	38,017
Golf/GTI	997	951	1,170	1,241	1,560	1,398	1,355	1,392	1,389	1,171	951	765	14,340
Passat	1,201	1,620	1,418	1,272	1,292	1,187	1,536	1,863	1,383	1,434	1,037	891	16,134
Quantum	0	1	0	0	1	0	0	0	0	0	0	0	2
Fox	932	1,571	1,625	1,313	1,221	909	958	970	796	1,068	1,278	822	13,463
VOLKSWAGEN	6,421	7,533	8,191	8,632	9,866	8,751	8,290	8,578	7,458	6,935	6,840	4,993	91,688
240 series	2,082	2,454	3,273	3,271	3,063	1,657	1,005	933	1,271	1,811	1,610	1,569	23,999
700 series	2,198	2,303	2,571	2,894	2,597	4,466	3,110	2,635	1,401	1,901	1,892	1,230	29,198
940 series	955	956	1,495	986	1,020	791	1,560	2,714	757	905	954	939	14,032
Tourist	21	12	19	20	54	99	90	53	26	21	16	37	468
VOLVO	5,258	5,725	7,358	7,171	6,734	7,013	5,785	6,335	3,455	4,638	4,472	3,775	67,897
YUGO	367	245	146	127	116	228	279	318	332	383	283	348	3,092
IMPORT TOTAL	137,749	149,089	191,091	186,992	192,995	183,895	194,643	193,341	179,883	182,657	152,485	160,012	2,103,762

*Estimate

Japan may cut import limit, but impact would be minimal

By: Roger Rowand

The Japanese auto industry's fiscal year closes at the end of April, and attention is beginning to focus on Japan's annual voluntary restraints.

It is expected the Japanese Ministry of International Trade and Industry will announce a reduction of 600,000 to 700,000 cars to a maximum of 1.6 million or 1.7 million from the current car limit of 2.3 million.

It is not expected that Daihatsu Motor Co.'s plan to stop sending vehicles to this country will have any appreciable impact on import levels. In 1991, only 6,202 Daihatsu cars were sold here, down 41.6 percent from a year before.

The restraints are structured to expire as the financial year dies but have survived in one form or another since 1981.

With protectionist sentiment strengthening in the United States in a presidential election year, the restraints probably will be renewed with reductions in the number of cars that makers are permitted to send to the United States. That may be an exercise in politics, however, because imports haven't been close to voluntary restraint agreement limits for years.

The first automotive voluntary restraint agreement with a cap of 1.68 million cars was reached between the U.S. and Japanese governments in April 1981 and was to expire after three years. Extensions and boosts to 1.85 million cars and, in 1986, to 2.3 million cars followed.

Under the voluntary restraint agreements, companies were allotted import limits based on previous sales. The allotments for new entries were negotiated in Japan among vehicle makers and the government's Ministry of International Trade and Industry.

Government-mandated voluntary restraint agreements ended in 1986 when they were succeeded by corporate agreements.

Voluntary restraint agreements have been unheeded in recent years because of the transplant factories here. But because of them, many Japanese believe Japanese companies gained respect in this country. Also, voluntary restraint agreements are credited with turning the United States into a seller's market for Japanese vehicle retailers.

Japan depends upon manufacturing and industry for its existence, and the lifeblood of that industry is export.

The island nation's first automotive exports left the docks in 1951 when Isuzu shipped buses to Thailand. For years exports consisted mainly of trucks going to developing countries.

It wasn't until a substantial home market for cars had been created that auto exports became significant.

In 1965 exports topped 100,000 for the first time.

The first shipments from major auto makers landed in the United States in the late 1950s. In 1966, Toyota, the leader, imported 500 Crown M series cars.

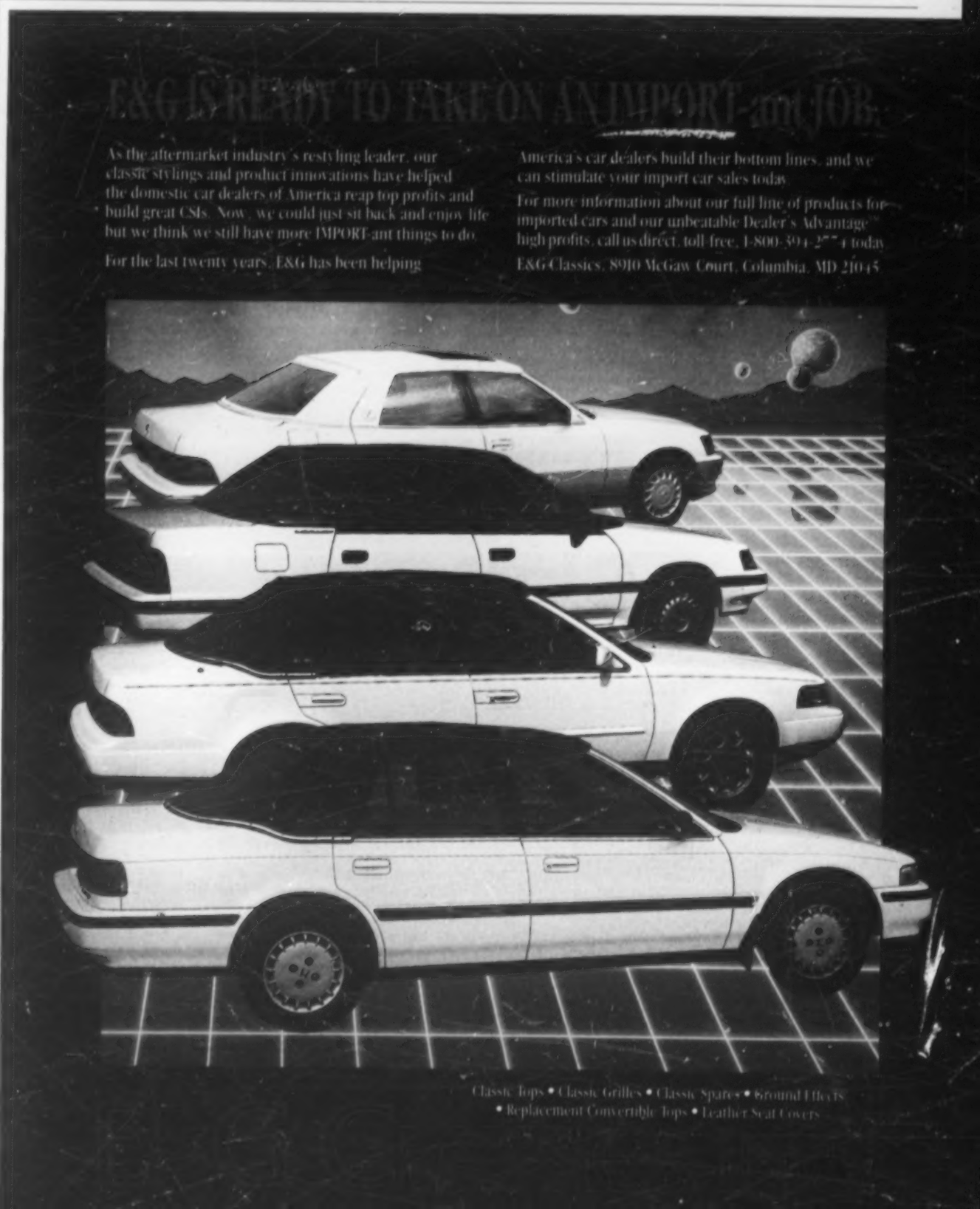
There was little friction between the two nations until the 1973 oil embargo, when popularity of economical Japanese cars skyrocketed. □

Roger Rowand is a staff reporter for Automotive News Insight.

U.S. SALES OF JAPANESE IMPORTS VS. QUOTAS

Fiscal year ending Mar. 31	Car quota	Japanese car sales	Total car sales	Japan import share
1982	1.68 million	1,737,199	8,532,672	20.4
1983	1.68 million	1,838,160	7,978,177	23.0
1984	1.68 million	1,844,491	9,181,036	20.1
1985	1.85 million	1,809,395	10,393,230	17.4
1986	2.30 million	2,286,012	11,045,784	20.7
1987	2.30 million	2,288,876	11,463,241	20.0
1988	2.30 million	2,089,389	10,225,316	20.4
1989	2.30 million	1,964,553	10,595,072	18.5
1990	2.30 million	1,917,862	9,713,125	19.7
1991	2.30 million	1,618,148	9,295,732	17.4
1992	2.30 million	1,450,227*	8,031,000*	17.7

*Projection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IRS

Service-pact ruling threatens dealers

continued from PAGE 1

contrary to the IRS advisory.

In 1989, Ford reversed gears by by becoming the obligor on the contracts, making its dealers agents again. Ford also told dealers it will pay the interest on any back taxes owed resulting from an audit on the Ford program.

In late February, NADA notified dealers of the audits and said the IRS' position is wrong. Ironically, the government doesn't gain additional revenues from the accounting change; it does receive the revenues sooner.

NADA, Ford and Robertson, who is acting on behalf of Western National Warranty Corp. and Western Diversified Services, have steadfastly opposed the IRS' interpretation of the rule.

The IRS has audited hundreds of dealers during the past two years. Most of them are appealing their tax assessments.

But an IRS advisory in January may put the issue to rest.

After nearly two years and more than $100,000 in expenses, NADA asked the revenue service to decide a test case — William Reineke Sr., an Ohio Ford dealer and NADA director who was audited.

NADA asked the IRS to reverse its position. The association asserted that Reineke was merely an agent selling the program and that the IRS method of accounting for income from extended warranties results in a mismatch of income and expenses for tax purposes.

In January, the IRS responded that dealers were "primarily obligated" on the Ford contract from 1985 to 1989 and the money sent to Ford is prepaid insurance. The IRS did not waver from its original interpretation.

Reineke declined to say how much the dealership owes or what he will do next.

"I still think it is wrong, but my only alternative now is to go to court," he said.

Though McCarthy said he is open to any suggestions to reverse the IRS advisory, he is pessimistic. "Any chance of an appeal to reverse the ruling now is zero."

McCarthy said the association also sought a remedy through Congress. "We floated it by a couple of key people and got no place."

For now, the association recommends that dealers consult their accountants. NADA reminds dealers that the IRS can go back only three years with audits.

Meanwhile, Robertson is forging ahead. He has retained Don Alexander, a Washington-based attorney who was the commissioner of the IRS during the Nixon and Ford administrations.

Robertson wants legislation changing the IRS' interpretation of the tax code, or language inserted in the code that exempts dealers from the prepayment of premiums rule.

But progress so far has been minimal, though Robertson has brought the issue to the Bush administration.

"Though we have yet to make a change in the interpretation, the Bush administration has shown a willingness to weigh the merits of our arguments," he said.

He has marshalled the support of some state dealer associations.

For independent administrators, the stakes are high. It means dealers selling independent extended service contracts will have to keep extensive records on the prorated portion of premiums for each contract sold, which they never had to keep before the advisory.

And because the manufacturers are the principals in the factory programs, they are taxed, which gives them a competitive advantage over independent administrators.

Prices of extended service contracts offered by independent administrators and the manufacturers are similar, so independents can't simply reduce the prices of their programs to offset the impact of the tax hit taken by the dealer in the first year.

That means the added burden of providing amortization schedules to dealers will be costly to administrators.

One remedy might be to make independent administrators the obligors on extended service contracts, like the manufacturers are on their contracts.

But only a handful of states allow independent administrators to be the obligors. AN

Independents say ruling gives factories a monopoly

CHARLES M. THOMAS
Staff Reporter

Extended service contract administrators say an Internal Revenue Service tax rule changing the way dealers account for costs and income of extended warranties will create a monopoly for factory programs.

"All factory programs are structured in a way that the dealer serves as agent, so the IRS advisory doesn't apply to them," says Paul Askos, president of Western National Warranty Corp., based in Scottsdale, Ariz.

But it does affect dealers who sell independently administered service contracts. It "will eliminate the competition, so the factory programs will be the only ones available to dealers," he says.

Western National is one of two extended service contract companies seeking a remedy to the ruling, called an advisory, through the Treasury Department or legislation.

Askos says three Western National dealers have been audited and are appealing. One was assessed $187,000 in back taxes and interest.

Under the new advisory, the only alternative for extended service contract administrators "is to provide dealers with amortization schedules on their book of business," he says.

That would be costly, making the programs less competitive with factory programs, Askos says.

Even the Financial Accounting Standards Board's interpretation differs from the IRS advisory. Says Askos: "It is very clear according to FASB that the cost of service contracts should be amortized over the life of the contract and so should income." AN

digest

TOYOTA HIKES MR2 PRICE

TORRANCE, Calif. — Toyota Motor Sales U.S.A. Inc. has announced an increase of $1,610, or 10 percent, in the price of its 1993 MR2. The new model is $17,658; the 1992 version was $16,048.

The 1993 MR2 Turbo is $20,278, up $900, or 4.5 percent.

An SE four-door sedan with a V-6 engine has been added to the Camry lineup. It has a sticker of $18,528 with five-speed manual transmission and $19,328 with automatic. With automatic transmission, the Camry SE is $1,850 less than the top-of-the-line Camry XLE V-6 sedan.

Both new models go on sale this month.

ANNUAL MEETINGS SET

DETROIT — The Big 3 automakers have set the dates and locations for their annual meetings.

The General Motors annual meeting will be held at 9 a.m. Friday, May 22, at the Grand Wayne Center in Fort Wayne, Ind. It will be followed by a tour of GM's Fort Wayne truck assembly plant.

The Chrysler Corp. annual meeting will be 10 a.m. May 14 at the Chrysler Technology Center in Auburn Hills, Mich.

The Ford Motor Co. annual meeting will be May 14 at the Fairlane Grand Manor in Dearborn, Mich. No time has been set.

GM FORMS HISPANIC PACT

DETROIT — General Motors signed a joint declaration with the Hispanic Association on Corporate Responsibility acknowledging the automaker's commitment to enhance relations with Hispanics and other minorities.

In the declaration, GM promises to continue to inform its suppliers of its commitment to equal opportunity and minority-supplier development. In turn, the association will inform the Hispanic community about GM's commitment and help identify potential Hispanic dealers and suppliers.

CONTENT

Honda Marysville tops Chrysler; other transplants are far behind

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imported parts, for 99.9 percent domestic parts content.

The data comes from the Foreign Trade Zone Board annual report, a document that compiles statistics from foreign trade zone subzones around the country. Most car plants have been declared foreign trade zone subzones in order to receive tariff breaks on imported parts.

The report reveals how much U.S. material is used at most U.S. plants. GM's factories appear to use the highest percentage of U.S.-sourced materials, followed by Ford. Honda's Marysville, Ohio, assembly plant shows up with a higher percentage of U.S. content than any of Chrysler's.

A spokesman for Honda of America Manufacturing Inc. in Marysville warned that the official financial data contained in the foreign trade zone report is "not a totally reliable way of measuring U.S. content."

For one thing, the Honda foreign trade zone includes parts and materials for a motorcycle assembly plant, although it is modest in size and the company says its percentage of U.S. content is about the same as for cars.

Also, in all foreign trade zones, numbers can be inflated when parts leave the zone temporarily for additional machining. Finally, if a U.S. supplier imports parts, pays duty on them, then builds a sub-assembly it ships to a foreign trade zone, the entire value would show up as domestic content.

But the foreign trade zone figures provide a relatively uncomplicated record of which plants rely on imported parts, and it reveals how far behind the Japanese transplant automakers were in sourcing U.S. content. Except for Honda, the transplants fell below 50 percent in the 1990 model year.

Japanese carmakers, which have been under pressure to source more American-made components, commonly cite "domestic content" levels based on a formula devised by the EPA. That formula includes such overhead expenses as workers' wages, advertising and plant mortgage costs.

When such overhead is included, for example, a Toyota Corolla made in Fremont, Calif., in 1990 had an EPA domestic content of about 70 percent. Actual domestic component purchases equaled 39 percent, according to the Commerce figures.

The foreign trade zone report for 1990 does not cover a few plants. Some did not have subzone status — such as GM's Van Nuys, Calif., plant, which builds the Pontiac Firebird and the Chevrolet Camaro — and others did not use the zone they had. Ford's Louisville, Ky., plant is a registered subzone, but in 1990 the company felt it could not adequately monitor data for the zone and did not use it.

Under subzone rules, a carmaker pays no duty on imported parts until a vehicle is completed and shipped. The delay in payment helps cash flow, and the rates are lower. Duty on most imported parts is 6.9 percent, while the duty on complete vehicles is 2.5 percent.

A foreign trade zone can cut duty payments substantially.

The duty savings for Nissan Motor Manufacturing Corp. U.S.A., which imported about $811 million worth of parts in 1990, was about $36 million, and Mazda Motor Manufacturing (U.S.A.) Corp., which imported $988 million in parts, saved almost $44 million. AN

U.S. PARTS AND MATERIAL CONTENT AT FREE TRADE SUBZONE PLANTS

(Dollar amounts in millions, based on fiscal year ending Sept. 30, 1990)

Plant/Vehicle	Purchases Domestic	Purchases Import	Pct. Domestic
Chrysler			
Newark, Del.	$1,409.5	$213.9	86.9
Dodge Spirit			
Chrysler LeBaron A			
Plymouth Acclaim			
Toledo, Ohio	1,236.1	281.1	81.5
Jeep Cherokee			
Jeep Comanche			
Jeep Wagoneer			
Sterling Heights, Mich.	915.6	214.6	81.0
Dodge Shadow			
Plymouth Sundance			
Belvidere, Ill.	1,438.2	549.9	72.3
Chrysler Fifth Avenue			
Chrysler Imperial			
Chrysler New Yorker			
Dodge Dynasty			
Ford			
Chicago	2,673.7	23.9	99.1
Ford Taurus			
Mercury Sable			
Atlanta	2,264.6	59.6	97.4
Ford Taurus			
Mercury Sable			
Edison, N.J.	982.9	44.6	95.3
Ford Ranger			
Kansas City, Mo.	2,861.3	121.6	94.4
Ford Tempo			
Mercury Topaz			
Ford F series			
Dearborn, Mich.	1,819.4	87.0	92.1
Ford Mustang			
Wayne, Mich.	668.9	81.6	88.7
Ford Escort			
Wixom, Mich.	2,546.3	632.9	80.1
Lincoln Continental			
Lincoln Mark VII			
Lincoln Town Car			
Lorain, Ohio	2,586.1	701.6	78.5
Ford Thunderbird			
Mercury Cougar			
Ford Econoline			
Ford Club Wagon			
GM			
Wilmington, Del.	1,481.5	0.3	99.9
Chevrolet Corsica			
Chevrolet Beretta			
Lansing, Mich.	3,198.8	17.1	99.5
Buick Skylark			
Buick Reatta			
Oldsmobile Calais			
Pontiac Grand Am			
Flint, Mich.	3,824.1	19.7	99.5
Buick LeSabre			
Oldsmobile Eighty Eight			
Linden, N.J.	1,478.0	15.0	99.0
Chevrolet Corsica			
Chevrolet Beretta			
Willow Run, Mich.	1,349.3	16.9	98.8
Chevrolet Caprice sedan			
Chevrolet Caprice wagon			
Olds. Custom Cruiser wag.			
Wentzville, Mo.	$1,764.2	$25.6	98.6
Buick Park Avenue			
Oldsmobile Eighty Eight			
Pontiac Bonneville			
Tarrytown, N.Y.	1,543.9	25.8	98.4
Chevrolet Lumina APV			
Oldsmobile Silhouette			
Pontiac Trans Sport			
Lake Orion, Mich.	2,787.5	62.6	97.7
Cadillac DeVille			
Oldsmobile Ninety Eight			
Oklahoma City	1,585.6	76.6	95.4
Chevrolet Century			
Olds. Cutlass Ciera			
Pontiac 6000			
Janesville, Wis.	1,513.4	84.9	94.7
Chevrolet Cavalier			
Chevrolet C/K pickup			
Chevrolet Kodiak			
GMC Topkick			
GMC C/K pickup			
Lordstown, Ohio	2,409.1	219.1	91.7
Chevrolet Cavalier			
Pontiac Sunbird			
Chevrolet full-sized vans			
GMC full-sized vans			
Fairfax, Kan.	1,932.6	144.8	87.8
Pontiac Grand Prix			
Pontiac, Mich.	606.6	96.7	86.3
Chevrolet S10			
Chevrolet S10 Blazer			
GMC Sonoma			
GMC S15 Jimmy			
Diamond-Star			
Normal, Ill.	478.2	633.8	36.1
Eagle Summit			
Eagle Talon			
Mitsubishi Eclipse			
Mitsubishi Mirage			
Plymouth Laser			
Honda			
Marysville, Ohio	3,500.0	443.8	88.8
Honda Accord			
Honda Civic			
Mazda			
Flat Rock, Mich.	958.1	988.6	49.2
Ford Probe			
Mazda 626			
Mazda MX-6			
Nissan			
Smyrna, Tenn.	539.3	811.4	39.9
Nissan Sentra			
NUMMI			
Fremont, Calif.	495.1	777.9	38.9
Geo Prizm			
Toyota Corolla			
Subaru-Isuzu			
Lafayette, Ind.	194.8	236.4	45.2
Subaru Legacy			
Isuzu Pickup			
Toyota			
Georgetown, Ky.	883.7	939.3	48.5
Toyota Camry			

Source: Foreign Trades Zones Board of the U.S. Department of Commerce

U.S. CAR AND LIGHT-TRUCK SALES, FEBRUARY — 1992 vs. 1991 (ranked by car and light-truck total sales)

Make	Car Sales 1992	Car Sales 1991	1992 Share	1991 Share	Truck Sales 1992	Truck Sales 1991	1992 Share	1991 Share	Car & Truck Totals 1992	Car & Truck Totals 1991	% Share of Total Car & Truck Market 1992	% Share of Total Car & Truck Market 1991	Changes Share (Points)	Changes Sales (Percent)
Ford	96,208	92,477	14.8	14.9	97,926	86,402	30.4	29.7	194,134	178,879	19.9	19.6	0.3	8.5
Chevrolet/Geo†	84,980	87,134	13.1	14.0	78,127	74,391	24.2	25.5	163,107	161,525	16.8	17.7	-0.9	1.0
Toyota	55,198	45,903	8.5	7.4	18,752	18,671	5.8	6.4	73,950	64,574	7.6	7.1	0.5	14.5
Dodge	22,446	28,878	3.4	4.6	41,376	35,006	12.8	12.0	63,822	63,884	6.6	7.0	-0.4	- 0.1
Honda	47,911	38,439	7.4	6.2	—	—	—	—	47,911	38,439	4.9	4.2	0.7	24.6
Pontiac	43,581	39,311	6.7	6.3	2,155	1,485	0.7	0.5	45,736	40,796	4.7	4.5	0.2	12.1
Buick	42,999	43,397	6.6	7.0	—	—	—	—	42,999	43,397	4.4	4.8	-0.3	- 0.9
Nissan	25,635	23,485	3.9	3.8	12,969	11,306	4.0	3.9	38,604	34,791	4.0	3.8	0.2	11.0
Oldsmobile	32,135	31,063	4.9	5.0	2,356	1,746	0.7	0.6	34,491	32,809	3.5	3.6	-0.1	5.1
Mercury	31,402	29,343	4.8	4.7	—	—	—	—	31,402	29,343	3.2	3.2	0.0	7.0
Plymouth	13,715	15,213	2.1	2.4	13,826	12,573	4.3	4.3	27,541	27,786	2.8	3.0	-0.2	- 0.9
Mazda	17,096	20,426	2.6	3.3	5,807	7,042	1.8	2.4	22,903	27,468	2.4	3.0	-0.7	-16.6
GMC	—	—	—	—	22,614	19,307	7.0	6.6	22,614	19,307	2.3	2.1	0.2	17.1
Cadillac	20,876	15,443	3.2	2.5	—	—	—	—	20,876	15,443	2.1	1.7	0.5	35.2
Jeep	—	—	—	—	16,448	10,178	5.1	3.5	16,448	10,178	1.7	1.1	0.6	61.6
Mitsubishi	14,143	19,062	2.2	3.1	1,506	3,827	0.5	1.3	15,649	22,889	1.6	2.5	-0.9	-31.6
Lincoln	13,092	16,265	2.0	2.6	—	—	—	—	13,092	16,265	1.3	1.8	-0.4	-19.5
Saturn	13,035	2,056	2.0	0.3	—	—	—	—	13,035	2,056	1.3	0.2	1.1	534.0
Chrysler	11,043	10,703	1.7	1.7	863	294	0.3	0.1	11,906	10,997	1.2	1.2	0.0	8.3
Acura	9,677	9,621	1.5	1.5	—	—	—	—	9,677	9,621	1.0	1.1	-0.1	0.6
Lexus	8,478	4,299	1.3	0.7	—	—	—	—	8,478	4,299	0.9	0.5	0.4	97.2
Subaru	7,284	8,054	1.1	1.3	—	—	—	—	7,284	8,054	0.7	0.9	-0.1	- 9.6
Hyundai	6,849	8,811	1.1	1.4	—	—	—	—	6,849	8,811	0.7	1.0	-0.3	-22.3
Isuzu	806	669	0.1	0.1	5,734	6,819	1.8	2.3	6,540	7,488	0.7	0.8	-0.1	-12.7
VW	6,099	7,533	0.9	1.2	102	378	0.0	0.1	6,201	7,911	0.6	0.9	-0.2	-21.6
Volvo	4,986	5,725	0.8	0.9	—	—	—	—	4,986	5,725	0.5	0.6	-0.1	-12.9
Mercedes	4,716	3,981	0.7	0.6	—	—	—	—	4,716	3,981	0.5	0.4	0.0	18.5
Eagle	4,288	3,467	0.7	0.6	—	—	—	—	4,288	3,467	0.4	0.4	0.1	23.7
BMW	3,761	3,365	0.6	0.5	—	—	—	—	3,761	3,365	0.4	0.4	0.0	11.8
Infiniti	2,589	1,905	0.4	0.3	—	—	—	—	2,589	1,905	0.3	0.2	0.1	35.9
Daihatsu	1,034	425	0.2	0.1	611	261	0.2	0.1	1,645	686	0.2	0.1	0.1	139.8
Saab	1,464	1,810	0.2	0.3	—	—	—	—	1,464	1,810	0.2	0.2	0.0	-19.1
Suzuki	425	362	0.1	0.1	940	1,318	0.3	0.5	1,365	1,680	0.1	0.2	0.0	-18.8
Audi	1,093	874	0.2	0.1	—	—	—	—	1,093	874	0.1	0.1	0.0	25.1
Jaguar	642	568	0.1	0.1	—	—	—	—	642	568	0.1	0.1	0.0	13.0
Porsche	410	322	0.1	0.1	—	—	—	—	410	322	0.0	0.0	0.0	27.3
Alfa Romeo	371	268	0.1	0.0	—	—	—	—	371	268	0.0	0.0	0.0	38.4
Yugo	317	245	0.0	0.0	—	—	—	—	317	245	0.0	0.0	0.0	29.4
Range Rover	—	—	—	—	258	202	0.1	0.1	258	202	0.0	0.0	0.0	27.7
Other*	167	167	0.0	0.0	—	—	—	—	167	167	0.0	0.0	0.0	0.0
Peugeot	48	317	0.0	0.1	—	—	—	—	48	317	0.0	0.0	0.0	-84.9
Sterling	—	211	—	0.0	—	—	—	—	0	211	0.0	0.0	0.0	-100.0
TOTAL	**650,999**	**621,597**	**100.0**	**100.0**	**322,370**	**291,206**	**100.0**	**100.0**	**973,369**	**912,803**	**100.0**	**100.0**	**0.0**	**6.6**
TOTAL BIG 3	**429,800**	**414,750**	**66.0**	**66.7**	**275,691**	**241,382**	**85.5**	**82.9**	**705,491**	**656,132**	**72.5**	**71.9**	**0.6**	**7.5**
TOTAL JAPAN	**190,276**	**172,650**	**29.2**	**27.8**	**46,319**	**49,244**	**14.4**	**16.9**	**236,595**	**221,894**	**24.3**	**24.3**	**0.0**	**6.6**
TOTAL EUROPE	**24,074**	**25,386**	**3.7**	**4.1**	**360**	**580**	**0.1**	**0.2**	**24,434**	**25,966**	**2.5**	**2.8**	**-0.3**	**- 5.9**
GM	237,606	218,404	36.5	35.1	105,252	96,929	32.6	33.3	342,858	315,333	35.2	34.5	0.7	8.7
Ford	140,702	138,085	21.6	22.2	97,926	86,402	30.4	29.7	238,628	224,487	24.5	24.6	-0.1	6.3
Chrysler	51,492	58,261	7.9	9.4	72,513	58,051	22.5	19.9	124,005	116,312	12.7	12.7	0.0	6.6
Toyota/Lexus	63,676	50,202	9.8	8.1	18,752	18,671	5.8	6.4	82,428	68,873	8.5	7.5	0.9	19.7
Honda/Acura	57,588	48,060	8.8	7.7	—	—	—	—	57,588	48,060	5.9	5.3	0.7	19.8
Nissan/Infiniti	28,224	25,390	4.3	4.1	12,969	11,306	4.0	3.9	41,193	36,696	4.2	4.0	0.2	12.3
VW/Audi	7,192	8,407	1.1	1.4	102	378	0.0	0.1	7,294	8,785	0.7	1.0	-0.2	-17.0
†Geo	*20,251*	*17,947*	*3.1*	*2.9*	*2,031*	*1,670*	*0.6*	*0.6*	*22,282*	*19,617*	*2.3*	*2.1*	*0.1*	*13.6*
*Made by Japan***	*223,572*	*205,835*	*34.3*	*33.1*	*48,266*	*50,395*	*15.0*	*17.3*	*271,838*	*256,230*	*27.9*	*28.1*	*-0.1*	*6.1*

*Includes 1992 estimated sales of 80-Ferrari, 22-Rolls/Bentley, 27-Lotus, 20-Maserati, 13-Lamborghini, and 5-Aston Martin.

**Includes vehicles sold by Big 3 but made in plants managed by Japanese companies; excludes vehicles sold by Japanese but made in Big 3 plants.

U.S. CAR AND LIGHT-TRUCK SALES, 2 MONTHS — 1992 vs. 1991

Make	Car Sales 1992	Car Sales 1991	1992 Share	1991 Share	Truck Sales 1992	Truck Sales 1991	1992 Share	1991 Share	Car & Truck Totals 1992	Car & Truck Totals 1991	% Share of Total Car & Truck Market 1992	% Share of Total Car & Truck Market 1991	Changes Share (Points)	Changes Sales (Percent)
Ford	175,159	169,164	14.5	14.4	183,225	162,935	29.8	29.0	358,384	332,099	19.6	18.2	1.4	7.9
Chevrolet/Geo†	154,128	169,420	12.7	14.4	150,013	144,774	24.4	25.8	304,141	314,194	16.7	17.2	-0.6	- 3.2
Toyota	101,556	88,159	8.4	7.5	36,956	36,855	6.0	6.6	138,512	125,014	7.6	6.8	0.7	10.8
Dodge	41,684	59,894	3.4	5.1	76,535	64,341	12.4	11.5	118,219	124,235	6.5	6.8	- 0.3	- 4.8
Honda	—	—	—	6.3	—	—	—	—	92,986	74,673	5.1	4.1	1.0	24.5
Buick	84,313	81,867	7.0	7.0	—	—	—	—	84,313	81,867	4.6	4.5	0.1	3.0
Pontiac	78,322	71,810	6.5	6.1	4,095	2,826	0.7	0.5	82,417	74,636	4.5	4.1	0.4	10.4
Nissan	50,804	46,328	4.2	3.9	23,319	22,944	3.8	4.1	74,123	69,272	4.1	3.8	0.3	7.0
Oldsmobile	59,499	59,797	4.9	5.1	4,513	3,311	0.7	0.6	64,012	63,108	3.5	3.5	0.0	1.4
Mercury	58,197	52,266	4.8	4.4	—	—	—	—	58,197	52,266	3.2	2.9	0.3	11.3
Plymouth	26,731	33,019	2.2	2.8	26,805	23,700	4.4	4.2	53,536	56,719	2.9	3.1	-0.2	- 5.6
Mazda	32,541	36,330	2.7	3.1	13,029	15,642	2.1	2.8	45,570	51,972	2.5	2.8	-0.4	-12.3
GMC	—	—	—	—	44,358	36,440	7.2	6.5	44,358	36,440	2.4	2.0	0.4	21.7
Cadillac	35,609	33,957	2.9	2.9	—	—	—	—	35,609	33,957	2.0	1.9	0.1	4.9
Jeep	—	—	—	—	32,994	23,462	5.4	4.2	32,994	23,462	1.8	1.3	0.5	40.6
Mitsubishi	23,700	28,497	2.0	2.4	3,243	6,479	0.5	1.2	26,943	34,976	1.5	1.9	-0.4	-23.0
Lincoln	24,532	28,820	2.0	2.5	—	—	—	—	24,532	28,820	1.3	1.6	-0.2	-14.9
Chrysler	22,307	20,300	1.8	1.7	1,580	511	0.3	0.1	23,887	20,811	1.3	1.1	0.2	14.8
Saturn	23,239	3,576	1.9	0.3	—	—	—	—	23,239	3,576	1.3	0.2	1.1	—
Acura	19,042	18,762	1.6	1.6	—	—	—	—	19,042	18,762	1.0	1.0	0.0	1.5
Lexus	15,524	7,427	1.3	0.6	—	—	—	—	15,524	7,427	0.9	0.4	0.4	109.0
Subaru	12,905	15,118	1.1	1.3	—	—	—	—	12,905	15,118	0.7	0.8	-0.1	-14.6
Hyundai	12,868	16,320	1.1	1.4	—	—	—	—	12,868	16,320	0.7	0.9	-0.2	-21.2
VW	12,511	13,954	1.0	1.2	277	699	0.0	0.1	12,788	14,653	0.7	0.8	-0.1	-12.7
Isuzu	1,473	1,124	0.1	0.1	10,580	12,606	1.7	2.2	12,053	13,730	0.7	0.8	-0.1	-12.2
Volvo	10,496	10,981	0.9	0.9	—	—	—	—	10,496	10,981	0.6	0.6	0.0	- 4.4
Mercedes	9,117	7,358	0.8	0.6	—	—	—	—	9,117	7,358	0.5	0.4	0.1	23.9
Eagle	8,106	7,018	0.7	0.6	—	—	—	—	8,106	7,018	0.4	0.4	0.1	15.5
BMW	7,398	5,913	0.6	0.5	—	—	—	—	7,398	5,913	0.4	0.3	0.1	25.1
Infiniti	5,032	3,767	0.4	0.3	—	—	—	—	5,032	3,767	0.3	0.2	0.1	33.6
Suzuki	962	753	0.1	0.1	2,182	2,504	0.4	0.4	3,144	3,257	0.2	0.2	0.0	- 3.5
Saab	2,524	2,837	0.2	0.2	—	—	—	—	2,524	2,837	0.1	0.2	0.0	-11.0
Daihatsu	1,403	873	0.1	0.1	786	524	0.1	0.1	2,189	1,397	0.1	0.1	0.0	56.7
Audi	2,173	1,717	0.2	0.1	—	—	—	—	2,173	1,717	0.1	0.1	0.0	26.6
Jaguar	1,273	1,079	0.1	0.1	—	—	—	—	1,273	1,079	0.1	0.1	0.0	18.0
Yugo	894	612	0.1	0.1	—	—	—	—	894	612	0.0	0.0	0.0	46.1
Porsche	829	552	0.1	0.0	—	—	—	—	829	552	0.0	0.0	0.0	50.2
Alfa Romeo	613	520	0.1	0.0	—	—	—	—	613	520	0.0	0.0	0.0	17.9
Range Rover	—	—	—	—	542	412	0.1	0.1	542	412	0.0	0.0	0.0	31.6
Other*	334	334	0.0	0.0	—	—	—	—	334	334	0.0	0.0	0.0	0.0
Peugeot	151	664	0.0	0.1	—	—	—	—	151	664	0.0	0.0	0.0	-77.3
Sterling	0	415	—	0.0	—	—	—	—	0	415	0.0	0.0	0.0	-100.0
TOTAL	**1,210,935**	**1,175,975**	**100.0**	**100.0**	**615,032**	**560,965**	**100.0**	**100.0**	**1,825,967**	**1,736,940**	**100.0**	**100.0**	**0.0**	**5.1**
TOTAL BIG 3	**791,826**	**790,908**	**65.4**	**67.3**	**524,118**	**462,300**	**85.2**	**82.4**	**1,315,944**	**1,253,208**	**72.1**	**72.2**	**-0.1**	**5.0**
TOTAL JAPAN	**357,928**	**321,811**	**29.6**	**27.4**	**90,095**	**97,554**	**14.7**	**17.4**	**448,023**	**419,365**	**24.5**	**24.1**	**0.4**	**6.8**
TOTAL EUROPE	**48,313**	**46,936**	**4.0**	**4.0**	**819**	**1,111**	**0.1**	**0.2**	**49,132**	**48,047**	**2.7**	**2.8**	**-0.1**	**2.3**
GM	435,110	420,427	35.9	35.8	202,979	187,351	33.0	33.4	638,089	607,778	34.9	35.0	0.0	5.0
Ford	257,888	250,250	21.3	21.3	183,225	162,935	29.8	29.0	441,113	413,185	24.2	23.8	0.4	6.8
Chrysler	98,828	120,231	8.2	10.2	137,914	112,014	22.4	20.0	236,742	232,245	13.0	13.4	-0.4	1.9
Toyota/Lexus	117,080	95,586	9.7	8.1	36,956	36,855	6.0	6.6	154,036	132,441	8.4	7.6	0.8	16.3
Honda/Acura	112,028	93,435	9.3	7.9	0	0	—	—	112,028	93,435	6.1	5.4	0.8	19.9
Nissan/Infiniti	55,836	50,095	4.6	4.3	23,319	22,944	3.8	4.1	79,155	73,039	4.3	4.2	0.1	8.4
VW/Audi	14,684	15,671	1.2	1.3	277	699	0.0	0.1	14,961	16,370	0.8	0.9	-0.1	- 8.6
†Geo	*39,062*	*36,939*	*3.2*	*3.1*	*3,639*	*3,896*	*0.6*	*0.7*	*42,701*	*40,835*	*2.3*	*2.4*	*0.0*	*4.6*
*Made by Japan***	*406,068*	*367,045*	*33.5*	*31.2*	*94,467*	*103,293*	*15.4*	*18.4*	*493,866*	*459,863*	*27.0*	*26.5*	*0.6*	*7.4*

*Includes 1992 estimated sales of 160-Ferrari, 44-Rolls/Bentley, 54-Lotus, 40-Maserati, 26-Lamborghini, and 10-Aston Martin.

**Includes vehicles sold by Big 3 but made in plants managed by Japanese companies; excludes vehicles sold by Japanese but made in Big 3 plants.

TOP 10 SELLERS, FEBRUARY 1992

	Sales
1. Chevrolet C/K Pickups	30,284
2. Ford F-series Pickups	29,967
3. Honda Accord	29,829
4. Ford Taurus	28,043
5. Toyota Camry	24,521
6. Ford Explorer	22,542
7. Ford Escort	20,156
8. Ford Ranger	20,059
9. Ford Tempo	19,121
10. Pontiac Grand Am	18,923

Source: Automotive News Data Center

Japan sales continue slide; Feb. off 3%

MARY ANN MASKERY
Staff Reporter

TOKYO — New-vehicle sales in Japan fell 3.3 percent in February to 458,618 units, marking the 10th straight month of year-to-year decline as demand remained weak in the mainstream small-car category.

According to preliminary data reported last week by the Japan Automobile Dealers Association, sales in the segment from 660 cc to 2.0 liters slid 12.3 percent last month to 256,456 units. But demand for cars in the near-luxury and luxury classes above 2.0 liters surged 44.4 percent, to 63,359, continuing an upturn that began last summer. The figures do not include mini-vehicle sales, which are reported separately.

Analysts said they expect the market to remain weak until at least midyear.

"Given the condition of the economy, there is no reason to expect a change in the small-car segment soon," said Neal Doying, who follows the industry for Baring Securities in Tokyo. "The large-car segment can continue to increase without having a major impact on the total market."

Toyota Motor Corp., the market leader, reported a 1.1 percent decline in sales from a year earlier to 198,118 units. The Corolla, the company's biggest seller, fell 8.3 percent to 22,299.

Nissan Motor Co. Ltd. sales fell 4.2 percent to 111,736; Honda Motor Co. declined 9.1 percent to 30,216; and Mazda Motor Corp. was down 6.8 percent to 34,748.

Mitsubishi Motors Corp. reported another month of strong sales, up 9.4 percent to 38,699 units, based largely on sales of recreational vehicles and the recently remodeled compact Mirage. The Diamante, which helped pace the growth in Mitsubishi sales last year, showed a 34 percent decline.

Suzuki Motor Co., the only other company to report an increase in sales for February, was up 14.7 percent to 3,923 units.

Import sales dropped for the 14th consecutive month, to 12,720 units, as demand continued weak for German makes. Volkswagen sales were down 24.8 percent, to 1,803, prior to new-model introductions expected in April, while Audi declined 17.5 percent to 779 units. Mercedes-Benz was down 5 percent to 2,543.

BMW, which reported a turnaround in January, said sales fell 17.2 percent in February to 1,961 units. The company said it could not sustain January's momentum because of a shortage of right-hand-drive 3-series models.

General Motors sales rose 8.1 percent to 785 units; Chrysler Corp. rose 3.8 percent to 108; and Ford Motor Co. declined 10.2 percent to 221. Honda of America imports shot up 65 percent from a year earlier, to 1,125 units.

DOMESTIC CAR SALES, FEBRUARY & YTD

	Feb. 1992	Feb. 1991	2 Mos. 1992	2 Mos. 1991
Summit	419	439	799	825
Talon	2,359	2,129	4,304	4,289
Premier	424	414	1,070	816
Total Eagle	**3,202**	**2,982**	**6,173**	**5,930**
Horizon	0	80	0	171
Laser	1,833	1,861	3,560	3,660
Sundance	5,003	3,115	9,512	6,455
Acclaim*	5,550	9,298	11,259	20,829
Total Plymouth	**12,386**	**14,354**	**24,331**	**31,115**
LeBaron A*	3,061	1,420	6,545	2,901
LeBaron J	3,145	3,528	5,434	5,466
Fifth Avenue (fwd)	2,742	3,769	5,648	7,112
Imperial	442	786	1,254	2,028
New Yorker C	1,653	1,114	3,426	2,634
Total Chrysler	**11,043**	**10,617**	**22,307**	**20,141**
Omni	0	80	0	184
Shadow	6,308	5,003	11,645	9,938
Monaco	141	228	352	423
Daytona	1,064	1,113	1,936	2,172
Spirit*	4,835	8,242	9,703	18,974
Dynasty	7,781	11,751	13,725	23,059
Total Dodge	**20,129**	**26,417**	**37,361**	**54,750**
CHRYSLER CORP.	**46,760**	**54,378**	**90,172**	**111,936**
Escort*	20,156	23,371	39,487	43,817
Mustang	6,876	5,534	11,369	10,973
Tempo	19,121	16,922	32,478	30,429
Taurus	28,043	26,469	52,862	47,798
Thunderbird	8,894	6,651	12,573	11,156
Probe	3,702	6,918	6,669	10,475
Crown Victoria	6,134	4,092	12,714	9,380
Total Ford Div.	**92,926**	**89,957**	**168,152**	**164,028**
Topaz	5,996	4,191	10,046	8,127
Sable	7,386	8,297	15,866	14,149
Cougar	4,792	4,063	7,064	7,589
Grand Marquis	7,564	6,296	15,124	11,450
Total Mercury	**25,738**	**22,847**	**48,100**	**41,315**
Continental	3,316	5,075	5,298	8,712
Town Car	9,202	10,363	18,223	18,645
Mark VII	574	827	1,011	1,463
Total Lincoln	**13,092**	**16,265**	**24,532**	**28,820**
Total L-M Div.	**38,830**	**39,112**	**72,632**	**70,135**
FORD MOTOR CO.	**131,756**	**129,069**	**240,784**	**234,163**
Roadmaster	3,063	469	5,699	484
Somerset/Skylark	6,611	8,093	11,514	17,338
Century*	9,354	10,100	18,122	16,971
Regal	7,100	6,955	12,989	15,125
LeSabre	11,087	8,505	25,031	15,912
Reatta	15	100	52	423
Electra/Park Ave.	4,893	7,719	9,193	13,109
Riviera	876	1,456	1,713	2,505
Total Buick	**42,999**	**43,397**	**84,313**	**91,867**
Allante	84	146	194	392
Seville	2,903	1,410	5,890	4,731
DeVille	14,933	10,828	23,794	22,795
Brougham	1,051	1,962	2,211	4,020
Eldorado	1,905	1,097	3,520	2,109
Total Cadillac	**20,876**	**15,443**	**35,609**	**33,967**
Geo Metro	7,558	5,584	16,032	12,451
Geo Prizm	5,244	7,269	10,713	13,871
Cavalier*	18,299	23,992	34,655	48,729
Camaro	4,533	3,111	9,042	5,944
Celebrity	0	123	1	3,770
Corsica/Beretta	14,400	17,091	25,425	25,465
Lumina	17,927	12,778	26,843	26,728
Caprice	8,348	10,775	14,813	19,495
Corvette	1,222	1,317	2,287	2,350
Total Chevrolet	**77,531**	**82,040**	**141,811**	**158,803**
Calais	886	6,559	1,754	11,558
Achieva	6,146	0	9,084	0
Cutlass Ciera*	8,907	7,003	17,544	13,116
Cutlass Supreme	5,654	6,600	10,820	12,613
Eighty Eight	6,491	5,509	13,562	12,359
Custom Cruiser	516	640	843	1,127
Ninety Eight	3,105	3,945	5,067	7,715
Toronado	430	802	825	1,304
Total Oldsmobile	**32,135**	**31,063**	**59,499**	**59,797**
Sunbird	5,622	7,842	11,856	14,443
Firebird	1,476	1,332	2,857	2,987
Grand Am	18,923	14,086	29,480	24,469
Pontiac 6000	136	2,709	304	4,236
Grand Prix	8,774	7,163	14,970	13,241
Bonneville H	7,709	4,155	15,948	8,121
Total Pontiac	**42,640**	**37,287**	**75,415**	**67,497**
Total Saturn	**13,035**	**2,056**	**23,239**	**3,576**
GENERAL MOTORS	**229,216**	**211,286**	**419,886**	**405,497**
Civic	10,473	7,775	20,484	14,626
Accord	23,697	17,984	44,729	33,560
HONDA	**34,170**	**25,759**	**65,213**	**48,186**
MX-6	1,068	3,509	1,720	5,495
626	3,566	8,148	7,524	11,643
MAZDA	**4,634**	**11,657**	**9,244**	**17,138**
Eclipse	4,664	6,458	7,407	10,252
Mirage	1,130	2,846	2,184	3,538
MITSUBISHI	**5,794**	**9,304**	**9,591**	**13,790**
NISSAN Sentra	**8,826**	**8,283**	**16,766**	**15,881**
Corolla	9,365	7,419	17,933	13,948
Camry	17,974	12,516	30,018	22,986
TOYOTA	**27,339**	**19,935**	**47,951**	**36,934**
SUBARU Legacy	**3,940**	**2,828**	**6,222**	**5,610**
SUZUKI Swift	**19**	**33**	**43**	**34**
DOMESTIC TOTAL	**492,454**	**472,524**	**905,872**	**889,169**
IMPORT TOTAL	**158,545**	**149,073**	**306,063**	**286,806**
INDUSTRY TOTAL	**650,999**	**621,597**	**1,210,935**	**1,175,975**

*Includes units produced in Mexico.

TARIFF

Senate weighs 25% tax

continued from PAGE 1

Sen. Lloyd Bentsen, D-Texas. Bentsen is chairman of the Finance committee and one of Congress' most powerful critics of Japan's trade practices.

Under the proposal, minivans and four-door sport-utilities would be reclassified as trucks. As a result, tariffs would rise to 25 percent, up from the current level of 2.5 percent. The change would add between $1,500 to $6,000 to sticker prices, according to the American International Automobile Dealers Association.

LIGHT-TRUCK SALES, FEBRUARY & YTD

	Feb. 1992	Feb. 1991	2 Mos. 1992	2 Mos. 1991
Town & Country	863	294	1,580	511
Total Chrysler	**863**	**294**	**1,580**	**511**
Vans	3,948	3,914	7,145	5,952
Ram Wagon	1,751	1,542	3,429	2,105
Caravan	17,118	16,047	32,575	30,556
Caravan C/V	455	486	878	1,009
Ram 50 (import)	398	325	733	751
Ramcharger	377	505	786	1,057
Dakota	9,749	5,998	17,803	11,324
Pickups	7,580	6,189	13,186	11,587
Total Dodge	**41,376**	**35,006**	**76,535**	**64,341**
Voyager	13,826	12,573	26,805	23,700
Total Plymouth	**13,826**	**12,573**	**26,805**	**23,700**
Wrangler	3,609	2,283	6,783	5,159
Cherokee	12,434	7,329	25,449	16,710
Grand Wagoneer	0	139	0	652
Comanche	405	427	762	941
Total Jeep	**16,448**	**10,178**	**32,994**	**23,462**
CHRYSLER CORP.	**72,513**	**58,051**	**137,914**	**112,014**
Vans	9,274	8,258	16,411	14,836
Aerostar	12,083	11,107	20,934	19,443
Club Wagon	2,435	1,438	4,040	2,562
Ranger	20,059	18,119	36,905	35,839
Bronco	1,566	1,943	3,096	3,868
Bronco II/Explorer	22,542	16,818	45,747	33,439
Pickups	29,967	28,719	54,092	52,948
FORD MOTOR CO.	**97,926**	**86,402**	**183,225**	**162,935**
Vans	6,100	5,320	11,198	9,915
Sportsvan	688	457	1,213	827
Geo Tracker (domestic)	2,031	1,667	3,639	3,893
Geo Tracker (import)	0	3	0	3
Astro	9,195	7,047	15,694	13,700
Lumina APV	3,370	2,948	6,902	5,886
S10	13,748	14,798	28,418	28,757
S10 Blazer	8,564	8,776	17,817	19,155
Blazer	1,083	1,017	1,804	1,665
Suburban	3,064	2,769	5,140	5,473
Pickups	30,284	29,589	58,188	55,500
Total Chevrolet	**78,127**	**74,391**	**150,013**	**144,744**
Vans	2,552	1,825	5,340	3,339
Safari	2,451	2,296	4,849	4,201
S15/Sonoma	3,664	3,193	7,529	6,168
S15 Jimmy	2,351	2,043	4,658	4,307
Jimmy	251	253	433	477
Suburban	1,152	1,094	1,972	2,087
Pickups	9,899	8,337	18,940	15,324
P Model	105	165	307	298
W4	169	101	330	239
Total GMC	**22,614**	**19,367**	**44,358**	**36,440**
Silhouette	1,061	1,112	2,067	2,126
Bravada	1,295	634	2,426	1,185
Total Oldsmobile	**2,356**	**1,746**	**4,513**	**3,311**
Trans Sport	2,155	1,485	4,095	2,826
Total Pontiac	**2,155**	**1,485**	**4,095**	**2,826**
GENERAL MOTORS	**105,252**	**96,929**	**202,979**	**187,351**
DAIHATSU Rocky	**611**	**281**	**786**	**524**
Pickup (domestic)	1,173	845	2,121	1,424
Pickup (import)	787	1,819	1,511	3,320
Amigo	558	541	1,062	1,034
Trooper	339	2,255	708	4,286
Rodeo (domestic)	2,877	1,359	5,178	2,542
ISUZU	**5,734**	**6,819**	**10,580**	**12,606**
Pickup	3,084	3,504	7,133	7,241
MPV	2,241	2,694	4,826	6,662
Navajo (domestic)	482	844	1,070	1,739
MAZDA	**5,807**	**7,042**	**13,029**	**15,642**
Pickup	884	2,751	1,949	4,550
Montero	622	1,057	1,294	1,886
Van	0	19	0	43
MITSUBISHI	**1,506**	**3,827**	**3,243**	**6,479**
Pickup (domestic)	10,479	8,849	18,127	17,456
Pathfinder	2,302	2,336	4,338	4,987
Axxess	0	119	0	253
Van	0	2	0	2
Hawaii	188	0	854	244
NISSAN	**12,969**	**11,306**	**23,319**	**22,944**
RANGE ROVER	**258**	**282**	**542**	**412**
Samurai	230	371	433	785
Sidekick (domestic)	261	188	480	367
Sidekick (import)	449	759	1,269	1,352
SUZUKI	**940**	**1,318**	**2,182**	**2,504**
Pickup (domestic)	1,611	0	2,568	0
Pickup (import)	9,950	10,818	20,460	21,757
Previa	3,701	4,151	7,047	7,449
4Runner	2,852	3,039	5,674	6,306
Land Cruiser	638	663	1,207	1,343
TOYOTA	**18,752**	**18,671**	**36,956**	**36,855**
VOLKSWAGEN Vanagon	**102**	**378**	**277**	**699**
IMPORTS	**46,679**	**49,824**	**90,914**	**98,965**
INDUSTRY TOTAL	**322,378**	**291,296**	**615,632**	**588,965**

Sales charts compiled by Karen Dabkowski

Spokesmen for import firms contend the changes would hurt consumers by raising prices higher and limiting selection.

At Range Rover of North America Inc., officials said the tariff hike would trim sales and "result in lost jobs and closed dealerships."

Range Rover dealers sell only one product: a British made sport-utility that costs about $40,000.

"It is inconceivable that the higher prices and reduced selection this bill would cause could be deemed to be a positive step," the company said in a statement.

Interest in raising the tariff on minivans has increased since last December when the U.S. Department of Commerce concluded that Mazda and Toyota were "dumping" minivans in the U.S. market at less than fair market value.

The Commerce decision, which won't be final until late spring, resulted from dumping charges filed by domestic automakers. The Big 3 hold about 90 percent of the U.S. minivan market. Imports accounted for about 15 percent of all minivan and sport-utility sales in the United States in 1991.

Increased tariffs on minivans and sport-utilities is also part of the Gephardt-Riegle trade bill.

The proposed 25% tariff on imported minivans and sport-utilities could add $6,000 to a Range Rover's sticker price.

That measure would set limits on U.S. sales of Japan's imports and transplants unless Japan reduces its current $43 billion trade surplus with the United States.

Meanwhile, the U.S. Treasury Department is still reviewing its 1989 decision to keep the tariff on minivans and four-door sport-utilities at 2.5 percent and set the tariff on two-door trucks at 25 percent. At that time, Treasury overruled Customs officials who had recommended raising the tariffs on minivans and four-door sport-utilities.

The increased tariff was not part of the House tax bill approved in late February. For the tariff to become law, it must now be approved by the full Senate, then survive House-Senate Conference Committee negotiations to produce a bill that both chambers would pass.

The House bill includes the same luxury tax provisions as the Senate proposal.

If the tariff hike is part of the final tax bill, it likely faces a veto by President Bush. The proposed tariff increase is opposed by U.S. Trade Representative Carla Hills, one of the administration's staunchest advocates of free trade.

Ford begins recall

DEARBORN, Mich. — Ford Motor Co. has begun notifying customers to bring in about 755,700 trucks for modifications to automatic transmissions that slip out of park.

The recall covers 1990 Rangers, 1990-91 Aerostars and 1991 Explorers with the A4LD transmission. Ford said the park mechanism may not take hold, and the vehicle may roll as if in neutral.

Owners were initially notified in October and cautioned to use the parking brake.

MEXICO

Free trade pact gets Big Five support

continued from PAGE 3

compete with them, they see it asan opportunity to rise from the hibernation that has marked the industry since government decrees began regulating it 30 years ago.

The first set of rules chased such names as Fiat, Volvo and Peugeot from Mexico. Today's Big Five were allowed to import vehicles only two years ago. Last year, imported models accounted for just 1.5 percent of their 614,823 sales.

"We can't be isolated" from the economic blocks being formed around the world, argues Victor Barreiro, managing director of Ford Motor Co. in Mexico and the company's first Mexican-born president. He sees a U.S.-Mexico free-trade agreement as a necessity if the United States hopes to compete against the Pacific basin and Europe.

Automakers also hope a trade deal will make their operations more efficient. For example, the product mix at Ford's plant in Cuautitlan includes about 11,000 Thunderbirds and Cougars annually for Mexico. Meanwhile, a huge Ford plant in Ohio turns out the same cars at well below capacity. With a unified market, production could be consolidated into one plant for both markets.

More importantly, Mexico's makers see free trade as a key to foreign investment. That will help all sectors of the economy and raise the standard of living for a majority of Mexicans who now don't earn enough to buy a new car. That includes auto workers, who take home about $100 a week.

While manufacturers unanimously support the idea of free trade, most dealers are less than ecstatic. Last year, dealers representing the Big Five racked up an average of 735 car and truck sales each: about 200 more than the average U.S. dealer. Bankruptcies are almost unheard of, and stores commonly stay in family hands generation after generation.

"Our dealers are absolutely scared of this movement," says Ari Kahan, immediate past president of the Mexican dealers association. He acknowledges that dealers feel threatened by the prospect of more players in the market, but the group is pushing for it anyway.

"The world is going that way," he says. "We cannot close our eyes."

Automakers themselves want any free-trade deal to give them special treatment as a reward for sticking it out in Mexico over the years. And they caution that free trade should be phased in gradually over 10 to 15 years.

In the meantime, the Mexican market is expected to continue to grow — with or without a free-trade deal.

The Mexican dealer association is forecasting another 14 percent gain in car and truck sales for 1992. Ford's Barreiro says the Mexican market will reach 1 million sales by 1996.

But fortunes can change quickly in Mexico. It took double-digit sales increases in the last four years for the Mexican market to recover from the early 1980s, when plunging oil prices sent the economy into a tailspin.

If the memory of those lessons were lost on the gathering at Monterrey, Richard Strauss, the president of the U.S. National Automobile Dealers Association, offered this maxim of life in an open market: "Even in the best of times, you must always be prepared for the inevitable downturn."

INCENTIVE WATCH— DEALER INCENTIVES

NEW PROGRAMS

SUBARU (expires April 2)

Legacy (1991)	$1,200-1,700
Legacy (1992, invoiced before Feb. 4)	$500
Legacy (1992, invoiced after Feb. 4)	$1,000

CONTINUING PROGRAMS

ACURA (1991 models, expires May 1)

Legend sedan	$2,500
Legend coupe	$3,000

AUDI (1991 models, no expiration date)

Audi 100 and 200	$1,500
Audi 90	$1,000

Rebates apply to models purchased by dealer from Audi of America port stocks.

BMW (no expiration date)

750iL (1991)	$10,000

CHEVROLET (expires May 4 on 1991 models, June 4 on 1992 models)

Corvette ZR-1	$2,000
Other Corvette	$1,000

ISUZU (No expiration date; 1990-92 models unless otherwise noted. Rebates vary by regions.)

Impulse	$1,300-2,500
Stylus S	$600-800
Stylus S (Calif. only)*	$1,250
Stylus RS	$600-800
Stylus XS (1991, except Calif.)	$1,100
Stylus XS (Calif. only)*	$2,500
Rodeo 4x2	0-$600
Rodeo 4x4	$750-850
Trooper (except Calif.)	$750-850
Pickup	$500-1,500
Pickup (1991 4x4, bonus in some regions)	$400

*Dealer has option of sharing rebate with buyer.

LOTUS (1991, no expiration date)

Elan	$5,000
Esprit Turbo	$11,000-15,000

MAZDA (expires April 6)

RX-7 (1991)	$2,000
MPV (1992)	$400-600, based on number sold

MITSUBISHI (1990-92 models, expires April 30. This is the range of regional programs. Some rebates are based on number sold or performance against quota.)

Mirage, Galant, Pickup	0-$1,500
Eclipse (national)	$750-1,750

PEUGEOT (no expiration date)

405	$5,000
505	$6,000

PONTIAC (expires June 4 for 1992 models, May 4 for 1991 models)

LeMans	$1,000

PORSCHE (1991 models, no expiration date. To qualify for the following rebates, dealers had to buy two cars from port stock by Jan. 17.)

911 Carrera 2, 928	$9,500
911 Carrera 4	$13,500
911 Turbo	$14,000

SUZUKI (expires April 2)

Swift (1992)	$400-700
Sidekick (1992)	$300-700
Swift (1991)	$700-1,000
Sidekick (1991)	$1,000-1,500

TOYOTA (expires April 2; 1991-92 models unless otherwise noted)

Corolla (1992)	$600-1,000, quota
Celica	$400-800, quota
Tercel	$200-600, quota
Pickups (base 4x2)	$900-1,500, quota
Other pickups	$400-1,000, quota

VOLKSWAGEN (no expiration date)

Passat (1991)	$1,500
Jetta, Fox, Golf (1991)	$500
All 1990 cars	$500-1,500

VOLVO (expires March 31)

1992 models	
240 series	$500-1,000
740 series	$1,000-1,500
940 series	$1,500
1991 models	
240 series	$1,500
740 series	$1,750-2,500
940 series	$1,500-2,500
780 coupe	$2,500

GM ADS

Campaign names Japanese rivals

continued from PAGE 3

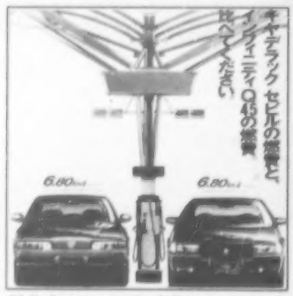
indirect swipe at Coca-Cola in a series of TV ads. But the ads were quickly dropped by the networks, prompting charges from Pepsi that they had knuckled under to pressure from Coca-Cola.

"The Pepsi ad came the closest, but even that skirted it," said David Bodkin, GM's director of Asian public affairs. "This leaves nothing to the imagination."

Old hands in Japan still recall a Nissan Sunny ad from almost 25 years ago, in which Nissan sought to point out that its basic-transportation model was larger than the rival Toyota Corolla. The ad read "our Sunny looks bigger than the neighbors' car."

Toyota reacted angrily, and no Japanese auto ad has overtly gone after a competitor since.

"We know it's done in the United States a lot," said Nissan spokesman Toshiaki Yasuda. "But no major Japanese company has ever done a campaign like that. It has to do with Japanese practice or values."



GM's Japanese ads defy convention.

As long as the GM ad does not distort the truth, Yasuda said, there would be no reason to make a formal complaint.

"There is no law against it, just a kind of tacit agreement within the advertising industry," he said.

GM is projecting sales of about 500 Sevilles in the 1992 model year, up from 175 in 1991. The Seville sells for 7.45 million yen in Japan (under $60,000 at current rates).

The company sold about 1,000 Cadillacs in Japan in 1991, mostly Eldorados and Fleetwoods.

General Motors Japan is forecasting sales of 12,000 North American vehicles in 1992, up from 10,300 last year.

Legacys, Loyales get cash incentives

Subaru of America Inc. announced an incentive program that pays dealers $500 to $1,200 on 1992 Legacys depending on when the vehicle was invoiced and $1,200 to $1,700 on 1991 Legacys depending on region.

The program also includes customer rebates of $500 on 1992 Legacys and $500 on 1991 and 1992 Loyales.

The payments expire April 2.

incentive WATCH

INCENTIVE WATCH — CUSTOMER INCENTIVES

NEW PROGRAMS

SUBARU (expires April 2)

Loyale (1991-92)	$500
Legacy (1992)	$500

CONTINUING PROGRAMS

CHRYSLER CORP. Expires March 31. Finance rates in lieu of rebates from zero to 9.9 percent.

1991-92 models	
Chrysler New Yorker Fifth Ave., Imperial	$1,500
N.Y. Salon, LeBaron sedan	$1,000
LeBaron coupe, conv.	$500
Dodge Monaco	$1,500
Shadow, Spirit	$1,000
Daytona, Colt 3-dr.	$500
Dodge Ramcharger	$2,000
Ram wagon (van and conversion)	$1,000
Ram pickup (gas), Dakota pickup	$750
Ram 50 pickup	$500
Eagle Premier	$1,500
Talon	$1,000
Summit 3-dr., 4-dr., '92 wagon	$500
Jeep Cherokee	$1,500
Comanche	$750
Wrangler	$500
Plymouth Sundance, Acclaim, Laser	$1,000
Colt 3-dr., '92 Vista	$500
All minivans	$500
Northeast region only: LeBaron sedan, Acclaim, Spirit	$1,500

FORD MOTOR CO. 1992 models

Expires March 31. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered.

Ford Taurus SHO, Probe	$1,000
Thunderbird Sport, SC (Calif.)	$1,500
Thunderbird (non-Calif.)	$750
Tempo (regional)	$500-1,000
Escort (regional)	$500-750
Crown Victoria, Mustang, Festiva	$500
Other Taurus (Calif.)	$1,000
Other Taurus (non-Calif.)	$500
Ford Econoline RV	$1,000
Ranger (Calif.)	$1,000
Ranger (non-Calif.)	$750
Bronco	$750
Aerostar (regional)	$500-1,000
F series	$400
Mercury Cougar XR7 (Calif.)	$1,500
Cougar (non-Calif.)	$750
Capri	$750
Tracer (regional)	$500-750
Sable (Calif.)	$1,000
Sable (non-Calif.)	$500
Topaz (regional)	$500-1,000
Grand Marquis	$500
Lincoln Town Car, Mark VII, Continental	$1,500
1991 models	

Expires March 31. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered.

Ford Festiva, Probe	$1,000
Escort, Mustang, Thunderbird	$750
Taurus SHO	$600
Tempo, other Taurus	$400
Ford Bronco, Econoline E-150 RV	$1,000
Aerostar (regional)	$400-1,000
Ranger, F series, other Econoline	$400
Mercury Capri	$2,000
Tracer, Cougar	$750
Topaz, Sable	$400

GENERAL MOTORS 1992 models

Expires June 4, unless otherwise indicated. In lieu of rebates, finance rates of 2.9 to 6.9 percent are offered.

Buick (based on option package ordered) Riviera	$2,000
Skylark, Century, Regal, LeSabre	$250-1,000
Cadillac (expires March 31) DeVille, Fleetwood, Brougham	$1,500
Chevrolet Lumina; Geo Storm, Prizm, Metro (manual)	$750
Cavalier, Camaro	$500
Geo Metro (automatic)	$300
Chevrolet S/T Blazer	$1,000
S/T pickup, Lumina APV	$750
G van	$500-750
C/K pickup	$400
GMC S15 Jimmy (exc. Typhoon)	$1,000
Sonoma (exc. Syclone)	$750
Sierra (regular cab)	$400
GMC (expires March 31) G van	$500-1,000
Safari	$500
Oldsmobile (regional) Toronado, Silhouette, Bravada	$1,000-2,000
Custom Cruiser	$1,000-1,500
Cutlass Ciera	$1,000
Cutlass Supreme	$750-1,500
Ninety Eight, Eighty Eight	$500-1,250
Pontiac Grand Prix, Trans Sport	$750
Sunbird, Grand Am, Firebird, Bonneville	$500
1991 models	

Expires May 4, unless otherwise indicated. In lieu of rebates, finance rates of 2.9 to 6.9 percent are offered.

Buick (based on option package ordered) Reatta	$2,000
(other rebates same as 1992 models)	
Chevrolet (same as 1992 models, cars and trucks)	
GMC (expires March 31) G van	$500-1,000
Safari	$400
Other GMC (expires May 4) Same as 1992 rebates on S15 Jimmy, Sonoma, Sierra	
Oldsmobile (regional) Cutlass Calais	$700-1,000
(other rebates same as 1992 models)	
Pontiac (same as 1992 models)	

HYUNDAI (expires April 2)

Excel (1991)	$1,000
Excel (1992)	$500
Elantra (1992)	$1,000
Scoupe (1991)	$750
Scoupe (1992)	$500
Sonata (1991)	$1,500
Sonata (1992)	$750

MAZDA (1992 models, expires April 6)

Protege, 626, MX-6	$1,000 plus free air conditioning or automatic trans.
Pickups	$400-1,200

MITSUBISHI (expires April 30)

Eclipse (1991-92, national) 5.9 to 8.9 percent loans, based on down payment	
Pickups (1990-92, Southwest region)	$1,000
Mirage (1990-92, Southwest region)	$500

Saturn trims frills to save $9.8 million

THE ASSOCIATED PRESS

SPRING HILL, Tenn. — Turning utilities off on weekends and cutting out overnight mail are among moves officials at General Motors' Saturn Corp. hope will trim costs by $9.8 million this year.

"In today's economic conditions, there isn't a business anywhere that isn't paying attention to cost," Saturn spokesman Bill Betts said.

The cost cutting comes in the wake of GM's record $4.5 billion 1991 loss and its plans to idle 21 plants and trim its U.S. and Canada work force by 80,000 by 1995.

Saturn, which has formed five task forces in an effort to make the $1.9 billion plant profitable by next year, was spared from the cuts. But Saturn hopes to save millions with the new moves.

Among the cuts implemented are:

- Turning off utilities during weekends and other downtime for savings of $4 million.
- Reducing travel by $2.7 million.
- Phasing out a student intern program, saving $1.4 million.
- Eliminating nearly all overnight mail between its Troy, Mich., office and Spring Hill, saving $1 million.
- Reducing by 50 percent the number of facsimile and copy machines in Michigan and Tennessee, saving about $625,000.
- Eliminating paid car washes for cars given to some Saturn employees who evaluate them. Also, fuel and other operating costs incurred while on vacation will now be the employees' responsibility, saving $100,000.

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
CHRYSLER		
Bramalea, Ontario	†	
FORD		
Wayne, Mich.	3/9	5,000
Ford Escort		
GENERAL MOTORS		
Arlington, Texas	3/9	
Buick Roadmaster		1,400
Cadillac Brougham		480
Chevrolet Caprice		1,200
Oklahoma City	3/9	
Buick Century		1,400
Oldsmobile Cutlass Ciera		3,600
Tarrytown, N.Y.	3/9	
Chevrolet Lumina APV		1,500
Oldsmobile Silhouette		500
Pontiac Trans Sport		640
Willow Run, Mich.	3/9	
Buick Roadmaster		350
Chevrolet Caprice		1,200
Olds. Custom Cruiser wagon		100
Oshawa, Ontario (No. 1)	3/9	
Chevrolet Lumina		3,000
Oshawa, Ontario (No. 2)	3/9	
Buick Regal		3,000
Chevrolet Lumina		3,000
Total U.S. car		**15,530**
Total U.S. truck		**2,840**
Total Canada car		**9,000**
Total units lost week of 3/9		**27,370**

†Plant closed for retooling until spring 1992.

Source: Automotive News Data Center

York gets board seat at Chrysler

MARY CONNELLY
Staff Reporter

Jerome York, Chrysler Corp. executive vice president and chief financial officer, has assumed greater stature in the company because of the departure of Vice Chairman Robert S. "Steve" Miller Jr.

Last week York was elected to the company's board of directors, effective April 1. York, 53, is one of three company executives on the Chrysler board. The others are Chairman Lee Iacocca and President Robert Lutz.

York's election to the board came just a week after he inherited some of Miller's responsibilities. Under the corporate restructuring precipitated by Miller's decision to become an investment banker, Chrysler Financial Corp. and Chrysler Technologies Corp. began reporting to York.

York now is poised to follow Miller as the company's financial quarterback. York is even mentioned as having a possible role in the Iacocca succession drama. The Chrysler chairman has said he will step down on Dec. 31 at age 68.

Miller, along with Lutz, was a candidate to succeed Iacocca. In addition to seeing a wider role for York if Lutz is named chairman, some have even suggested that York may have caught Iacocca's eye as a possible successor.

York's corporate background is varied. An engineer by training, he joined Chrysler in 1979. He has served as vice president of Dodge Division, vice president of Truck Operations and vice president of Advanced Manufacturing Operations. He was named vice president and controller in May 1989 and executive vice president and chief financial officer in May 1990.

U.S. AND CANADA CAR AND TRUCK PRODUCTION

Vehicles are assembled in the Unites States unless noted. Vehicles are cars unless noted.

	Est. 3/2-3/7/92	Actual 2/24-3/28/92	Feb. Total	Year 1/1-3/7/92	Year 1/1-3/9/91
LeBaron J	1,050	1,203	3,573	8,432	4,351
New Yorker	500	573	1,149	3,675	1,945
Fifth Avenue	1,450	1,005	1,999	5,636	5,675
Imperial	225	216	459	1,203	1,657
Town & Country (trk.)	250	284	1,152	1,908	571
Total Chrysler Div.	**3,475**	**3,291**	**8,332**	**20,854**	**14,299**
Sundance	650	0	6,275	9,327	6,669
Acclaim	1,500	1,905	5,368	12,935	18,815
Voyager (trk.)	2,000	2,264	9,020	14,368	14,944
Voyager (Can. trk.)	2,814	3,095	11,942	25,993	18,272
Total Plymouth	**7,164**	**7,264**	**32,605**	**62,623**	**58,700**
Daytona	125	0	864	2,174	1,632
Shadow	1,000	0	7,743	13,369	7,222
Dynasty	2,700	3,169	6,217	15,981	27,287
Spirit	1,500	1,831	5,819	13,113	17,305
Vijer	0	0	2	0	0
Monaco (Can.)	0	0	0	0	228
Caravan (trk.)	2,750	2,892	11,620	19,504	19,380
Caravan (Can. trk.)	3,624	3,361	14,907	34,086	24,513
Caravan C/V (trk.)	50	47	230	388	987
Caravan C/V (Can. trk.)	162	203	855	1,715	1,142
Dakota (trk.)	2,950	0	9,297	19,579	8,831
Ram pickups (trk.)	1,400	0	4,541	9,564	6,843
Ram Wagon (Can. trk.)	550	0	1,600	4,116	3,381
Ram Van (Can. trk.)	1,410	1	4,267	10,261	6,123
Total Dodge	**18,221**	**11,504**	**67,962**	**143,850**	**125,675**
Premier (Can.)	0	0	0	0	864
Cherokee (trk.)	3,500	3,476	12,732	22,719	14,617
Comanche (trk.)	75	42	266	527	1,075
Grand Cherokee (trk.)	700	712	2,335	3,287	0
Wagoneer (trk.)	50	74	194	290	514
Wrangler (Can trk.)	1,932	1,975	8,024	17,340	8,800
Total Jeep-Eagle	**6,257**	**6,279**	**23,551**	**44,163**	**25,960**
Total U.S. car	**10,980**	**9,982**	**29,469**	**85,946**	**82,580**
Total Can. car	**0**	**0**	**0**	**0**	**1,233**
Total U.S. truck	**13,725**	**9,891**	**51,397**	**92,134**	**69,462**
Total Can. truck	**10,492**	**6,635**	**41,595**	**93,511**	**62,231**
CHRYSLER CORP.	**35,117**	**28,338**	**132,459**	**271,488**	**225,544**
Escort	5,798	0	5,768	21,952	28,537
Mustang	0	2,833	5,609	10,668	7,933
Tempo	3,275	3,223	9,727	21,326	19,752
Tempo (Can.)	0	3,386	6,752	17,681	17,987
Taurus	7,223	8,792	36,148	67,832	51,709
Thunderbird	0	2,149	8,506	12,512	11,999
Crown Victoria (Can.)	2,462	2,538	8,380	15,252	19,111
Aerostar (trk.)	4,010	4,030	16,129	31,409	21,473
Bronco (trk.)	0	612	1,870	2,938	1,935
Explorer (trk.)	6,690	6,655	26,475	59,579	49,691
Mazda Navajo (trk.)	148	75	303	761	3,594
Econoline (trk.)	4,480	4,477	13,186	31,581	15,565
Heavies (trk.)	1,054	1,049	4,195	8,160	6,650
Light trucks (trk.)	9,289	7,922	37,077	80,221	39,206
Light trucks (Can. trk.)	3,040	3,040	12,061	30,401	13,375
Ranger (trk.)	4,457	7,214	17,909	39,466	41,351
Total Ford Division	**51,916**	**57,995**	**210,110**	**451,738**	**349,850**
Topaz	1,125	1,133	3,429	8,005	8,007
Topaz (Can.)	0	1,436	2,792	5,589	4,788
Cougar	0	1,451	5,693	8,362	7,901
Sable	3,270	1,773	5,897	18,149	15,767
Grand Marquis (Can.)	2,124	2,302	10,714	17,331	2,889
Total Mercury	**6,519**	**8,095**	**28,525**	**57,437**	**39,352**
Continental	972	874	3,764	6,321	11,201
Mark VII	245	224	933	1,433	1,955
Town Car	3,048	2,750	11,747	19,561	26,338
Total Lincoln	**4,265**	**3,848**	**16,444**	**27,315**	**39,494**
Total L-M Division	**10,784**	**11,943**	**44,969**	**84,752**	**78,846**
Total U.S. car	**24,956**	**25,292**	**97,223**	**198,122**	**191,089**
Total Can. car	**4,576**	**9,662**	**28,651**	**55,853**	**44,775**
Total U.S. truck	**26,133**	**22,834**	**117,144**	**254,119**	**179,466**
Total Can. truck	**3,040**	**3,040**	**12,061**	**30,401**	**13,375**
FORD MOTOR CO.	**62,709**	**69,030**	**255,079**	**535,491**	**429,764**
Skylark	1,683	1,501	6,241	12,631	23,037
Century	1,773	1,444	4,268	10,382	10,601
Regal (Can.)	1,850	1,853	6,132	12,506	19,169
Riviera	279	221	882	2,000	2,512
Park Avenue/Electra	1,786	0	5,192	10,376	21,793
LeSabre	3,054	2,108	10,289	26,150	33,059
Roadmaster sedan	1,380	1,337	5,432	12,151	0
Roadmaster wagon	400	291	1,073	2,583	2,576
Reatta	0	0	0	0	353
Total Buick	**12,207**	**8,757**	**39,539**	**88,847**	**113,110**
Eldorado	891	936	3,779	8,079	3,265
Seville	1,122	997	3,972	8,632	6,108
Brougham	0	0	0	2,170	3,310
DeVille	3,884	3,424	14,975	22,092	28,562
Allante	41	36	67	108	600
Total Cadillac	**5,738**	**5,393**	**22,793**	**41,081**	**41,845**
Cavalier	4,805	4,508	17,805	38,846	52,515
Camaro	1,451	1,437	4,321	10,004	7,890
Corsica-Beretta	4,800	0	9,030	33,376	33,429
Lumina (Can.)	5,000	6,334	19,515	38,811	29,936
Caprice	2,860	2,750	9,656	20,341	22,748
Corvette	480	482	1,873	2,903	4,519
Astro (trk.)	3,617	2,796	12,793	30,856	15,527
Blazer (trk.)	992	564	1,733	3,745	1,356
Lumina APV (trk.)	1,386	1,461	2,853	7,294	6,018
Medlums (trk.)	99	76	221	1,985	1,989
P-model (trk.)	480	477	1,916	3,489	2,876
Pickups (trk.)	3,520	6,214	26,919	38,026	38,509
Pickups (Can. trk.)	4,100	4,135	16,511	38,114	29,357
S10 (trk.)	4,269	4,512	7,538	27,527	45,038
S10 Blazer (trk.)	3,386	3,138	9,194	24,213	9,142
Sportsvan (trk.)	1,050	1,094	4,152	9,286	6,086
Sportsvan (Can. trk.)	1,300	1,338	6,579	13,122	4,835
Suburban (trk.)	560	532	2,591	6,898	3,844
Total Chevrolet	**44,772**	**41,858**	**155,362**	**347,758**	**314,296**
Achieva/Calais	2,800	2,558	10,465	23,302	19,549
Cutlass Ciera	3,366	3,610	10,686	23,760	7,725
Cutlass Ciera (Can.)	0	0	0	0	9,657
Cutlass Supreme	2,370	2,307	2,308	11,184	17,957
Toronado	255	99	401	1,224	1,454
Eighty Eight	1,915	916	6,783	15,206	16,502
Custom Cruiser wag.	120	154	458	1,021	2,534
Ninety Eight	234	322	3,712	5,238	17,874
Silhouette (trk.)	559	582	1,116	2,733	2,770
Bravada (trk.)	205	418	1,123	2,840	4,719
Total Oldsmobile	**11,824**	**10,966**	**37,064**	**86,508**	**100,741**
Sunbird	1,755	1,964	7,999	17,568	23,285
Grand Am	4,807	4,129	16,788	40,974	37,538
Firebird	549	563	1,679	4,105	2,023
Grand Prix	1,659	3,390	10,025	20,950	14,751
Pontiac 6000	0	0	0	0	5,333
Bonneville	2,685	0	8,368	16,296	13,873
Trans Sport (trk.)	768	801	1,557	3,543	3,442
Total Pontiac	**12,223**	**10,847**	**46,416**	**103,436**	**100,245**
Yukon/Jimmy (trk.)	165	152	559	1,072	467
Mediums (trk.)	637	631	2,171	4,885	3,774
P-model (trk.)	47	45	163	432	489
Pickups (trk.)	992	2,136	8,980	15,185	15,360
Pickups (Can. trk.)	1,450	1,496	5,813	13,602	10,994
Sycline/Sonoma (trk.)	1,022	1,521	2,516	6,430	12,608
Typhoon/S15 Jimmy (trk.)	880	595	2,191	6,258	4,087
Safari (trk.)	1,641	1,605	5,370	11,749	6,711
Suburban (trk.)	795	783	2,687	4,375	3,539
Vandura (trk.)	310	522	2,134	5,188	2,549
Vandura (Can. trk.)	1,000	1,025	3,048	7,744	2,944
Total GMC	**8,939**	**10,911**	**35,645**	**76,909**	**63,522**
Total Saturn*	**4,115**	**4,115**	**16,458**	**31,884**	**7,775**
Total U.S. car	**97,121**	**45,599**	**195,087**	**434,684**	**445,059**
Total Can. car	**7,850**	**6,189**	**25,647**	**51,317**	**57,782**
Total U.S. truck	**26,997**	**30,617**	**108,502**	**217,831**	**190,583**
Total Can. truck	**7,850**	**7,994**	**31,951**	**72,582**	**48,139**
GENERAL MOTORS	**99,818**	**92,439**	**353,277**	**775,614**	**741,534**
Can. car	2,200	2,215	8,882	21,273	24,523
Can. trk.	1,400	1,413	5,457	13,222	10,695
CAMI*	**3,600**	**3,628**	**14,339**	**34,495**	**35,218**
DIAMOND-STAR*	**3,300**	**3,297**	**13,105**	**29,498**	**29,994**
Civic	1,660	1,706	7,006	16,262	16,904
Civic (Can.)	2,200	2,428	10,010	21,812	20,465
Accord	8,294	8,225	33,273	75,536	65,431
Total U.S. car	**9,954**	**9,933**	**40,281**	**91,798**	**82,335**
Total Can. car	**2,200**	**2,428**	**10,010**	**21,812**	**20,465**
HONDA	**12,154**	**12,361**	**50,291**	**113,610**	**102,800**
HYUNDAI Sonata (Can.)	**0**	**0**	**0**	**2,828**	**7,945**
MAZDA*	**470**	**303**	**2,491**	**11,942**	**29,548**
U.S. trk.	1,585	1,545	4,659	12,991	14,322
Can. trk.	165	167	656	1,502	1,496
NAVISTAR	**1,750**	**1,712**	**5,315**	**14,493**	**15,818**
Sentra	2,850	2,929	12,115	27,835	28,216
Pickup (trk.)	2,784	2,803	11,862	27,075	27,085
NISSAN	**5,634**	**5,732**	**23,977**	**54,910**	**55,301**
Geo Prizm	1,900	1,874	7,628	18,025	20,038
Toyota Corolla	2,350	2,414	9,363	22,071	19,919
Toyota Hilux (trk.)	850	852	2,999	6,098	0
NUMMI	**5,100**	**5,140**	**19,990**	**46,194**	**39,957**
Legacy	1,184	1,230	4,659	11,046	11,218
Pickup (trk.)	410	500	2,010	4,648	0
Rodeo (trk.)	727	709	3,403	8,093	0
Total U.S. car	**1,184**	**1,230**	**4,659**	**11,046**	**11,218**
Total U.S. trk.	**1,137**	**1,459**	**5,421**	**12,741**	**10,799**
SUBARU-ISUZU	**2,321**	**2,689**	**10,080**	**23,787**	**22,017**
Camry	4,725	4,704	18,809	44,669	42,418
Corolla (Can.)	1,500	1,559	6,283	13,842	12,962
TOYOTA	**6,225**	**6,263**	**25,072**	**58,511**	**55,370**
VOLVO 740, 940 (Can.)	**198**	**198**	**570**	**1,306**	**1,673**
AM GENERAL (trk.)	**375**	**375**	**1,500**	**3,450**	**4,650**
MISCELLANEOUS (trk.)**	**2,400**	**2,400**	**9,600**	**22,080**	**25,850**
Total U.S. car	**119,713**	**107,447**	**449,250**	**973,536**	**982,264**
Total Canada car	**18,476**	**24,283**	**89,823**	**169,281**	**171,378**
Total U.S.-Canada Car	**138,189**	**131,660**	**529,282**	**1,141,817**	**1,153,642**
Total U.S. truck	**79,991**	**81,929**	**305,134**	**647,715**	**522,616**
Total Canada truck	**22,947**	**21,246**	**91,720**	**211,218**	**135,927**
Total U.S.-Canada truck	**102,938**	**103,175**	**396,854**	**858,933**	**658,543**
TOTAL U.S.	**199,704**	**189,376**	**745,303**	**1,621,251**	**1,514,880**
TOTAL CANADA	**41,423**	**45,492**	**171,743**	**378,499**	**307,305**
TOTAL U.S.-CANADA CAR & TRUCK	**241,117**	**234,825**	**917,136**	**2,000,750**	**1,822,185**

<Estimate

*CAMI includes Geo Metro and Suzuki Swift cars and Geo Tracker and Suzuki Sidekick trucks; Diamond-Star includes Eagle Summit and Talon, Mitsubishi Eclipse and Mirage and Plymouth Laser; Mazda includes MX-6, 626 and Ford Probe.

**Estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Marmaton-Gerr.

May contain error of one or two units due to rounding.

2 million reached; leads '91

ANNE E. WRIGHT
Chief Statistician

U.S. and Canadian car and truck production reached 2 million last Friday, 12 days ahead of 1991.

Year-to-date production of cars and trucks in the United States and Canada is 2,000,750 units, 9.8 percent ahead of the 1,822,185 built last year at this time.

February production of cars and trucks in United States and Canada totaled 917,136, up 10.6 over January and 21.4 percent more than the year-ago month.

In February 1991, the Big 3 idled an average of 16 plants per week because of sluggish sales and high inventories. This year, they idled an average of nine plants per week in February.

At Ford Motor Co., an average of three plants per week were down this February and six last February. General Motors idled an average of five per week this year and six last year. Chrysler Corp. averaged one idle plant per week this year and three per week last year.

U.S. and Canada car production in February was 520,282, up 6.1 percent over February 1991. U.S. producers assembled 4.3 percent more cars, while Canadian output climbed 17.4 percent.

February truck production in the United States and Canada was 396,854, up 49.6 percent over last year.

U.S. truckmakers' output was up 46.0 percent, and Canadian truck output was up 62.8 percent.

Last week, U.S. and Canada car producers scheduled 138,189 units, up 5.0 percent over the prior week and 13.4 percent more than the same week last year.

Year-to-date car production in the United States and Canada through last week trailed the year-ago total by 1.9 percent.

Estimated U.S. and Canadian truck production last week was 102,928, virtually equal to the prior week and 24.3 percent above the same week one year ago.

So far this year, truck production is up 30.4 percent over 1991.

Last week's estimated daily-build rate was 48,223 cars and light trucks in the United States and Canada, up 2.7 percent over the prior week and 17.8 percent above the year-ago week.

GM will idle six plants this week in response to slow sales and high inventories.

They are: Arlington, Texas; Oklahoma City; Willow Run, Mich.; Oshawa, Ontario (Nos. 1 and 2) car plants and the Tarrytown, N.Y., truck plant.

GM also reduced production at the Lake Orion, Mich., car facility to one shift this week and next.

Overtime was scheduled at four GM truck plants last Saturday: Baltimore; Janesville, Wis.; Scarborough, Ontario, and Oshawa Truck in Oshawa, Ontario.

Ford ran Saturday overtime at the Kansas City, Mo., truck plant last week.

Chrysler's St. Louis and Windsor, Ontario, truck plants worked overtime last Saturday.

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1992

Automotive

MARCH 16, 1992

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late news

BMW working on smaller car

FRANKFURT — BMW AG confirmed last week that it is developing a smaller car based on its year-old 3 series to compete with Volkswagen's six-cylinder Golf. The new generation Golf is the top-selling vehicle in Europe.

Wolfgang Reitzle, BMW's chief of research and development, said the new entry-level vehicle would be based on the 3 series, but have a redesigned body and house specialized mechanicals. BMW said it is too early to discuss the new car in detail or to say when it will be introduced.

The lower end of the luxury market has been targeted by Japanese makers as well as other European marques. Earlier this month, Mazda Motor Corp. introduced its Xedos luxury marque in Europe and Toyota Motor Co. launched the Carina E, which will be built in Britain.

— Diana T. Kurylko

Opel's Hughes named GM VP

DETROIT — Louis Hughes, chairman and managing director of Adam Opel AG, has been elected a vice president of General Motors, the parent firm of Opel.

Hughes

Hughes, 43, joined GM in 1966. He held a number of posts in the treasurer's office, and in 1982 was promoted to assistant treasurer with general responsibility for international activities involving financing and new business ventures.

see LATE NEWS, 2

Toyota dealers feel IRS bite

Mazda stores also periled by service contract ruling

CHARLES M. THOMAS
Staff Reporter

Thousands of import dealers, including Toyota and Mazda retailers, are vulnerable to Internal Revenue Service audits on the sale of extended service contracts.

Thirty Toyota dealers have been the target of IRS audits or inquiries, and some have been assessed back taxes, penalties and interest on sales of the automaker's Extra Care extended service contract, Toyota Motor Sales U.S.A. Inc. confirmed last week.

Extended service contracts naming dealers as principals are considered pre-paid insurance under a final ruling by the revenue service last month. Hence, dealers must expense their cost over the term of the contract instead of the year in which the contract is sold.

Though the ruling targeted Ford Motor Co.'s program, other extended service contracts sold by independent administrators and other automakers are affected.

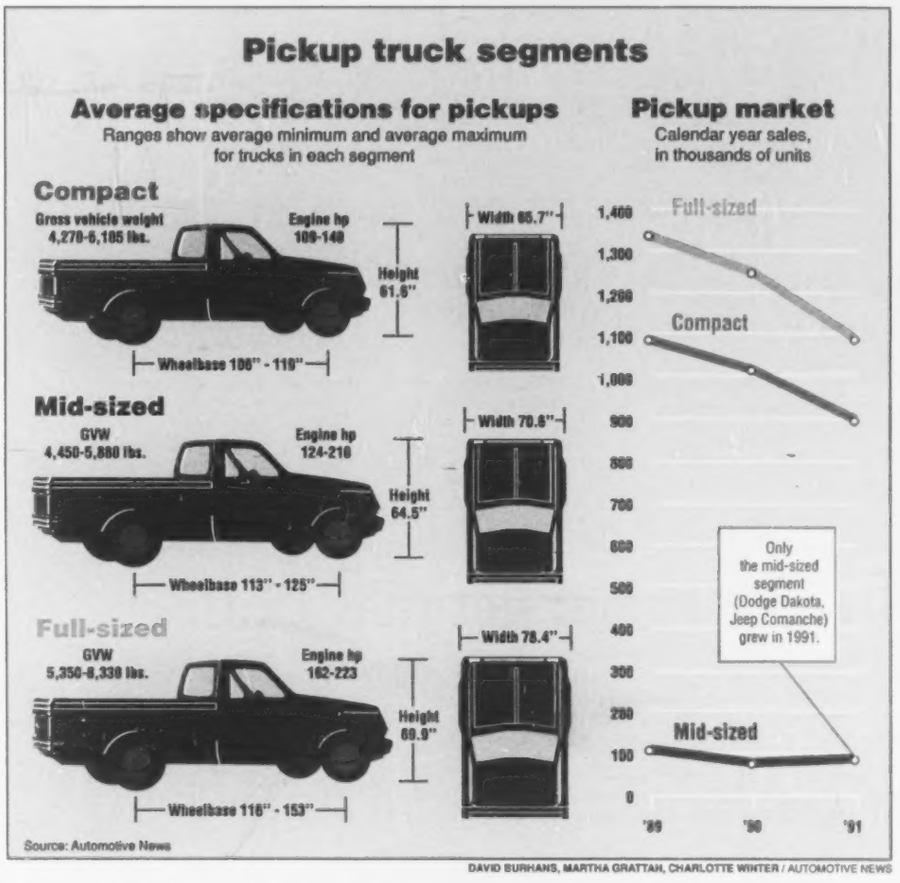
"Toyota is aware of the IRS position on service contracts, and we believe it is unfair," said Toyota spokesman John McCandless. "It has the potential to put many dealers out of business and needs to be reviewed more carefully."

He said Toyota will support dealers in the event of an IRS inquiry, but declined to say if the automaker will pay interest and penalties for dealers. So far, the company hasn't paid interest and penalties assessed to dealers.

Michael Petrizzo, director of service parts marketing for Mazda Motor of America Inc., said the company changed its insurer last June to American Road Insurance Co., a subsidiary of Ford Motor Co. Under the new extended service contract, Mazda is the principal.

But under the prior extended service contract

see IRS, 35



DAVID BURHANS, MARTHA GRATTAN, CHARLOTTE WINTER / AUTOMOTIVE NEWS

Ford plans new truck to battle Toyota

KRISTINE STIVEN BREESE, KATHY JACKSON and MARY ANN MASKERY
Staff Reporters

Ford Motor Co. is preparing a new mid-sized pickup truck to battle Toyota's planned entry in that developing segment.

Toyota Motor Sales U.S.A. Inc. confirmed last week it will begin selling its long-anticipated mid-sized pickup sometime during the 1993 model year. The word came one year after Toyota said the project was on hold indefinitely.

Meanwhile, Ford is working on a mid-sized pickup of its own, according to a highly placed Ford executive.

Toyota's entry and the prospect of Ford's arrival promise to reshape the U.S. pickup market. The 2 million unit segment is dominated by compact models, such as the Ford Ranger and Toyota's current pickup, or full-sized models, such as Ford's F series and General Motors' C/K line.

The only in-between models are Chrysler Corp's Dodge Dakota and

see TRUCKS, 3

Dealership decline is steepest since '82

JOHN K. TEAHEN JR.
Senior Editor

It wasn't the worst of years for dealer mortality, but 1991 brought the biggest loss the industry has sustained since 1982.

The annual *Automotive News* census finds that the number of new-car dealerships in the United States declined by 904 during recession-plagued 1991.

At the beginning of this year, 23,368 outlets were doing business, down 3.7 percent from the 24,272 in operation when 1991 dawned.

It was the most brutal year since 1982 when 974 establishments bailed out of the dealership business.

The *Automotive News* tally includes Big 3 dealerships and those handling foreign-badged cars. Both segments shared in the decline.

Numerically, the Big 3 lost more new-car dealerships last year than the imports did. But the imports' downturn was greater on a percentage basis.

The Big 3 bid farwell to 628 outlets — 252 at Chrysler Corp., 244 at General Motors and 152 at Ford Motor. That total of 648

see CENSUS, 22

CAR DEALERSHIPS IN UNITED STATES

	Jan. 1, 1992	Jan. 1, 1991
Chrysler Corp.	4,923	5,175
Ford Motor Co.	5,144	5,296
General Motors	8,804	9,048
Total	18,871	19,519
Minus intercorporate duals	515	535
Net Big 3	**18,356**	**18,984**
Import exclusives	3,941	4,138
Import-only duals	1,071	1,150
Total new-car dealerships	**23,368**	**24,272**

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Bush gives auto industry break on vapor recovery

MAX GATES
Staff Reporter

President Bush's announcement last week that the auto industry had won a 15-year battle over capturing gasoline vapors at the pump marked another in a series of White House moves aimed at boosting the auto industry.

Bush, in an address to the Economic Club of Detroit four days before Michigan's primary, said that the EPA has decided to not require carmakers to equip cars with onboard vapor recovery canisters.

In the same speech, Bush pledged to veto any new legislation increasing fuel economy requirements "that will destroy the auto industry and cost American jobs." He also reaffirmed his support of a free-trade agreement with Mexico and said more needs to be done to limit anti-trust rules from impeding U.S. corporate efforts to compete globally.

Although Bush has steadfastly supported free — and fair — trade with Japan, a series of events in Washington have recently tightened the screws on Japanese automakers since the president's con-

see BUSH, 36

Automotive News

PORSCHE LAYOFFS LIKELY
Cuts expected in wake of Bowler departure. PAGE 4

KENTUCKY REVS UP BUILD
Toyota stretches capacity for hot Camry. PAGE 4

GM's 3-2-2 UPROAR
Suppliers say they need more help for cost cuts. PAGE 6

SALES UP IN EUROPE
Market rises 4.5% despite 5.5% drop in Germany. PAGE 8

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corrections

■ An article about Beijing Jeep in the March 9 issue erroneously implied that the venture sells its BJ-2020 vehicles only to the Chinese military. The vehicles are sold to several Chinese government users, including the military.

■ An article in the March 9 issue about management changes at Mercedes-Benz AG provided incomplete information on the retirement of Chairman Werner Niefer. He will retire May 27, 1993.

■ A March 9 story about a Federal Trade Commission subpoena for records from the Japan Automobile Manufacturers Association in Washington misquoted a JAMA attorney. The group said it does not possess confidential correspondence between Japanese makers' U.S. and Japanese operations.

STOP PRESS! SYNDICATIONS

Mustang redo

Ford Motor Co. is revamping the Mustang for the 1995 model year with an entirely new skin. Power will be provided to the rear wheels by V-6 and V-8 engines. Stopping hardware will include four-wheel-disc brakes with anti-lock assistance. Engineers familiar with the program say the new car features major refinements to the previous platform.

latenews

CONTINUED
from PAGE 1

In 1985, he was transferred to GM of Canada as vice president of finance. He moved to Zurich in 1987 as vice president of finance for GM Europe. He was named head of Opel in 1989.

BMW hires political insider

WOODCLIFF LAKE, N.J. — BMW of North America Inc. has hired Craig Helsing, a former GOP official, as vice president for corporate affairs and customer relations, which includes responsibility for lobbying in Washington.

Helsing, 41, replaces Friedrich Hanau, 64, who has been semi-retired since the end of 1990. Helsing worked most recently for the Department of Commerce, as assistant secretary of legislative and inter-governmental affairs.

He was also senior adviser to Lee Atwater, deputy campaign manager for the 1984 Reagan-Bush campaign.

— Jim Henry

Porsche reports profits slide

STUTTGART, Germany — Porsche AG reported Friday that earnings for the first half of its fiscal year, ending Jan. 31, plunged 97 percent from a year earlier, to the equivalent of $1.97 million, as worldwide sales continued to worsen.

The luxury sports car maker said revenue fell 23.3 percent, to the equivalent of $677.8 million, as unit sales fell 25 percent, to 10,562 units.

In the United States, Porsche's biggest market, sales plunged 54 percent from the year-ago period, to 1,798 units.

Despite the gloomy results, Chairman Arno Bohn told the annual shareholders' meeting that Porsche will remain in the black in fiscal 1992 because of lower production costs.

Meanwhile, the company's controlling shareholders, the Porsche and Piech families, told shareholders they would "consider" reducing the number of seats they hold on the 12-member supervisory board.

The families' non-committal statement was in response to demands from non-voting stockholders that they surrender their five seats.

— Diana T. Kurylko

Brown, Fisher get new duties

DETROIT — Editor Peter Brown will take on the additional duty of associate publisher of *Automotive News* effective immediately, Keith Crain, publisher and editorial director, announced last week. Brown has been editor of *Automotive News* since February 1989.

In a related move, Edward Fisher has been promoted to advertising director for *Automotive News*. He had been assistant sales manager since January 1989.

In his new post, Fisher replaces M. Reid MacGuidwin, who retains the title of vice president/director of marketing. MacGuidwin, 66, will continue to work on special projects until he retires at the end of the year.

Under the new structure, the advertising sales department will report to Fisher, who will report to Brown. Brown reports to Crain, who is also vice chairman of Crain Communications Inc. "We are pleased that we have the depth of talent in this organization that allows us to make this smooth, natural transition," Crain said.

Brown, 43, joined Crain Communications in September 1984 as the first editor of *Crain's Detroit Business*, a sister publication to *Automotive News*. He was named associate publisher of *Crain's Detroit Business* in December 1987.

Brown came to Crain Communications from the *Detroit Free Press*, where he had been a reporter and copy editor. He holds a bachelor of arts degree from Ohio Wesleyan University and a master's from the University of Michigan.

Prior to joining *Automotive News*, Fisher, 44, was Detroit advertising sales manager for *Southern Living*, a consumer publication based in Birmingham, Ala. He also has been a media supervisor at the Young & Rubicam advertising agency and a media planner at D'Arcy, McManus & Masius. He has a bachelor's degree from Wayne State University.

Brown

Fisher

MacGuidwin

MacGuidwin joined *Automotive News* in January 1972 as an advertising sales representative. He was promoted to marketing manager and then to director of marketing with responsibility for advertising sales. In 1988, he was named a vice president of Crain Communications, which publishes *Automotive News* and 24 other business and consumer publications.

Before joining Crain, MacGuidwin was Detroit regional sales manager for *Automotive Industries* magazine. He also held sales positions at *Design News* and *Chemical Week* magazine.

briefly

The winner gets a limo

The presidential candidates have been talking a lot about cars, including which ones they'd like to own and drive. A survey by The Associated Press said Jerry Brown's dream car would be "a non-polluting, energy-efficient, American-made car." Bill Clinton recently purchased his dream car: a 1966 **Ford** Mustang convertible. Paul Tsongas wants a **Jeep** Cherokee. Pat Buchanan would like a "1930s Gatsby-style convertible," while David Duke would choose a **Chevrolet** Corvette. President Bush declined to state a preference, but a campaign adviser was quick to take a jab at challenger Buchanan. "The fact that he calls for 'America first' but drives a **Mercedes** probably won't be lost on the good people of Michigan," he said.

THE PHANTOM SPEAKS — The banter never ends in the battle for sales leadership in full-sized trucks. **Ford Motor Co.** executives, still smoldering over remarks made by **Chevrolet** officials last year, sent a masked man to the *Automotive News* office last week. "Chevy says that Ford is selling a phantom model," the masked man said, referring to a statement by Jeff Hurlbert, Chevy general marketing manager, that Ford could not possibly have sold 34,000 F-series trucks in the final 10 days of December. But based on registrations compiled by R.L. Polk and Co., Ford says that phantom vehicle was the F series, and it outsold Chevy's C/K by 21,145 units during the 1991 calendar year. The masked man advised Chevy officials to go see *Phantom of the Opera* if they want to see a real phantom.

TRADE WAR — If a free trade agreement with Canada and Mexico is a good idea, opening borders with Japan would be even better, suggests U.S. Rep. Sam Gibbons, D-Fla., chairman of the House subcommittee on trade. Not so, says U.S. Trade Representative Carla Hills. Free trade agreements are effective for breaking down tariffs and duties, Hills told Gibbons, but "in the case of Japan . . . it would be difficult to get at the impediments through an FTA." Hill suggests continued backroom jawboning over impediments like *keiretsu*.

ONLY BARGAIN IN NEW YORK — Parking places are at a premium in land-starved Japan. How bad is it? Seth Petok, manager of **Nissan Finance of America Inc.** in Manhattan, said it cost him $200 when his car got towed from a no-parking zone in New York. In Tokyo, he said it could have cost him $1,400.

AUTHOR, AUTHOR — Former **Chrysler Corp.** manufacturing honcho Dick Dauch is stamping out a different product these days — a book titled *Passion for Manufacturing*. The book, being published and distributed by the Society of Manufacturing Engineers, will draw on Dauch's 27 years at Chrysler, **General Motors** and **Volkswagen of America.** Scheduled for early 1993, the book will present Dauch's management and manufacturing philosophies and his call for a stronger voice for manufacturing if companies wish to compete globally. In April 1991, Dauch left Chrysler, where he was executive vice president of worldwide manufacturing.

Dauch: by the book

Japanese farm out production

System is vulnerable to quality problems

MARY ANN MASKERY
Staff Reporter

TOKYO — Japanese automakers are buttressing their reputation for being the world's most efficient producers by a little-known expedient — paying other companies to build many of their vehicles.

Among the 50 models that Japan's major producers farm out to contract assemblers are some of the industry's best known exports:

- Toyota's Previa minivan and MR2 sports coupe.
- Nissan's 300ZX sports car and Bluebird/Stanza sedans.
- Mitsubishi's Pajero/Montero sport-utility.
- Isuzu's Rodeo and Amigo sport-utilities.

Industry analysts and economists call the system of contract assembly — which turned out 22.5 percent of Japan's total vehicle production last year — an "escape valve" and "safety net" that maximizes profit for the primary producers by assigning much of the cost and risk of manufacturing to others.

"The system is a fantastic advantage" for Japanese carmakers compared with their American competitors, said John Krafcik, a contributor to the Massachusetts Institute of Technology study on lean production, *The Machine that Changed the World*.

By out-sourcing assembly as well as parts, Krafcik said, Japanese companies benefit from lower costs for labor, tooling and inventory while simultaneously enjoying greater production flexibility.

In essence, he and others explain, the subcontractors are taking on many of the risks normally borne by the manufacturer.

"They can load their own assembly plants to maximum effect, and give the low volume stuff to the others," said Krafcik, who has since joined Ford Motor Co. "It is the ultimate buffer."

James Womack, a co-author of the landmark MIT study, said the main advantage of Japan's subassembly system is the simpler management system it gives the primary producer.

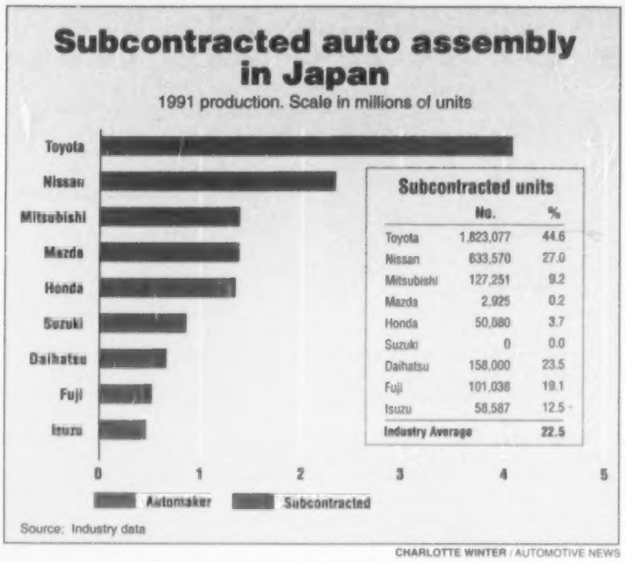
"By out-sourcing work, Toyota has fewer employees on the books and can choose them selectively and give them a sense of what they are doing and why," he said last week. "In the great vastness of GM, it is difficult to figure out what you are doing."

But, he stresses, there is no point to subcontract assembly if quality suffers.

"If you drop the ball on quality, it does not matter how low your cost of production is. Look at Hyundai," he said, referring to the Korean carmaker's admitted quality problems.

Michael Smitka, an associate professor of economics at Washington & Lee University who has done a study of Japanese manufacturing, said the initial benefits

see OUTSOURCE, 35



CHARLOTTE WINTER / AUTOMOTIVE NEWS

Chung set to engineer Hyundai's U.S. revival

Quality questions tower over maker

KRISTINE STIVEN BREESE
Staff Reporter

FOUNTAIN VALLEY, Calif. — Just as its zippy concept car did at the Detroit auto show, the arrival of Hyundai Motor America's new president signals something's up at the Korean importer.

The sleek HCD-1 prototype exposed the design creativity that had been lurking at Hyundai while the company has turned out a series of plain sedans. And one of the project's chief supporters in Korea is now Hyundai's new U.S. boss, D.O. Chung.

Chung says a car like the HCD-1 is important because it carries benefits that can't be measured in dollars and cents.

But Hyundai needs more than an image. U.S. sales have plummeted, largely because Hyundai spun out on quality after racing into the United States six years ago.

The quality challenge in the United States helps explain why Chung was hand-picked by chairman Se Yung Chung to fill the newly created position of vice president of quality in Korea last year. Looking back, Chung thinks the "special mission" was simply a homework assignment for the new U.S. job. Now his animated style and honest appraisal of where Hyundai stands has raised hopes that Hyundai's worst days will soon be behind.

TIM PETROS

D.O. Chung, shown with a model of the HCD-1, believes engineers hold the key to restoring Hyundai's U.S. image and sales.

Hyundai profits fall ➤ 23

Chung, 51, arrived in the United States in late January to take over from H.W. Baik, who returned to Korea to become vice president of export operations at Hyundai Motor Co.

Chung was trained as an engineer, and his reputation as a "car guy" has already helped endear him to the company's product team. One of his first moves was to switch reporting channels and have Hyundai's product planning, product development and strategic planning departments report directly to him.

"President Chung is much more involved in the day-to-day operations of the company — especially with our department," says Mike

see CHUNG, 18

AMERICAN FIRST AID FOR ISUZU

Sullivan prescribes more product sharing with GM

RICHARD JOHNSON
Staff Reporter

TOKYO

Forty-five days into his landmark assignment at Isuzu Motors Ltd., General Motors career-man Donald Sullivan is not exactly taking his time settling into the job.

Instead, he has hit the ground in a mad dash, working to stop the bleeding at Japan's sixth-largest vehicle maker, which is 37.5 percent owned by General Motors.

"My biggest problem has been finding enough time to sleep," he said in an interview last week.

Among his first impressions: the existence of a surprisingly wide communications gap between the two companies, and — here it is again — unabashed wonderment at the Japanese work ethic.

Sullivan, 48, came to Isuzu in late January as executive vice president, or *de* facto chief operating officer. As such, he is the highest-ranking *gaijin*, or foreigner, at any Japanese automaker. Responsible for corporate, product and production planning, and engineering, he reports directly to Isuzu's new president, Kazuhira Seki.

The first job, he said, is to make a recovery plan established last October "more robust" by reining in costs and pushing for more product sharing with GM in North America — especially on the truck side.

Isuzu suffered a consolidated pretax loss of 54.14 billion yen ($413 million) for the year ended last October, after earning a small profit the year before.

But Sullivan said losses will be cut during the current fiscal year, and said the company will return to profitability in 1993.

Some of Sullivan's other objectives:

- Supply more cars to GM, for which it now builds the Geo Storm. For example, Sullivan said, he wants to build the replacement for the Pontiac LeMans.
- Collaborate more closely with Fuji Heavy Industries Ltd. at the jointly-owned, money-losing Subaru-Isuzu Automotive assembly plant in Lafayette, Ind.
- Prune Isuzu's range of truck offerings.

"My first priority, frankly, is to work toward a truck summit between General Motors and Isuzu," Sullivan said. "I think that's the greatest area of opportunity."

Meanwhile, any doubts about how a hard-charging, 26-year GM veteran would be received by Isuzu staffers have been eased.

"This organization has reached out to me — the genuineness of it just kind of makes me go 'Aw shucks,' " he said. "No hidden agendas, no surprises. It's been: 'How can we help you?' "

And there has been that first brush with Japanese drive.

"Before you go, people tell you about the work ethic here and they say it will surprise you," said Sullivan. "But I thought, 'I can outwork the average two people, I always have and I always will.'

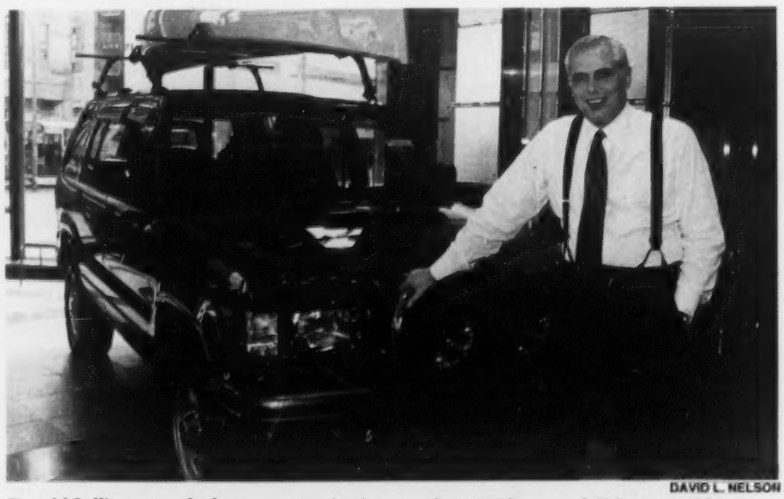
"Well, the work ethic here *did* surprise me. Man, I feel like I'm knocking off at noon. I think they work too hard," he said.

Sullivan was uniquely qualified for the posting, having worked with Isuzu in several previous GM positions. His last GM post was group director of Product and Business Planning and program management at the C-P-C Group. Prior to that, he was at GM Europe.

Still, Sullivan has had a tough, crash course in Isuzu Motors.

"I thought I knew this organization," he said. "I'd been over to visit maybe a dozen times. But the wide-aisle walking tours that you get as a U.S. visitor are quite different from the Isuzu one-on-one immersion class

see SULLIVAN, 33



DAVID L. NELSON

Donald Sullivan says the large communications gap between Isuzu and GM surprised him.

GM cut deal with China just in time, executive says

RICHARD JOHNSON
Staff Reporter

HONG KONG — General Motors got into China just before the door slammed shut on automotive joint ventures for at least five years, says GM's point man in the emerging Asia-Pacific region.

The company formed a joint venture in January to produce light trucks with Jinbei Automotive Co. in Shenyang. It settled on trucks after studying, and rejecting, a venture to build the Opel Astra or even North American J-cars at the Second Automotive Works plant in Wuhan, said Ronald Gilchrist, executive vice president of General Motors Overseas Corp. and head of the Hong Kong regional office.

Instead, GM will settle for being part of the "second wave" of passenger-car projects later in the decade, Gilchrist said in an interview here last week.

Gilchrist, who played a key role in setting up the landmark Beijing Jeep joint venture for American Motors in the early 1980s, said economic development in China has exceeded the expectations he had at that time.

"Even though now we are doing a project to put GMC trucks on the road," he said, "it's rewarding to see the number of (Jeep) Cherokees and the number of imported vehicles. When we started, there were hardly any cars on the road, let alone imported vehicles."

see CHINA, 33

'93 Escort will debut with no price hike

ARLENA SAWYERS
Staff Reporter

DETROIT — Hoping to spotlight value, Ford Division will hold the line on prices of 1993 Escorts and will go national with its one-price Escort LX program.

Ross Roberts, Ford Division general manager, said last week that the company will not raise prices when the freshened 1993 Escorts are introduced May 21. Escort base sticker prices range from $8,355 to $11,871.

At the same time, the one-price Escort program, which has been limited to Ford's West, Southeast and Northeast regions, will become national.

Under the one-price program, 1993 Escort LX models with manual transmission will be priced at $10,899; with automatic transmission, the price will be $11,631. Air conditioning, power steering, rear defroster, dual remote control mirrors and AM/FM stereo radio are standard.

Roberts said the 1993 Escort may be introduced with a $500 customer rebate depending on market conditions.

The national 1993 one-price Escorts are $400 more than the 1992 one-price Escorts in the three test regions.

The one-price Escort is a marketing concept fueled by customer demand, Roberts said. It is also a way Ford Division can focus its marketing on product, rather than price.

"That's what the customers told us they wanted," said Roberts. "It takes the hassle out."

Ford has test marketed one-price Escorts in the three regions since last fall.

In those regions, all Escort LX models with manual transmissions are priced at $10,499, with a customer rebate cutting it to $9,999. The price of the Escort LX with automatic is $11,230; there is no customer rebate.

The lack of a sticker price increase on Escort models coupled with the one-price program means Ford has reduced the overall Escort price 0.2 percent, or about $25, said Keith Magee, Ford Division general marketing manager.

Though the new price will represent an increase in the test regions, the overall price reduction in non-test regions is $440 or 3.6 percent, he said.

For instance, in non-test regions, a comparably equipped LX wagon with manual transmission is almost $11,800, he said.

Roberts said the Escort market share so far this calendar year is 3.3 percent compared to 3 percent for calendar 1991.

Magee said Ford Division and Ford dealer ad associations will incorporate the one-price strategy into their advertising this summer.

Ford Division also has a spring ad campaign that promotes its vehicles as world class in engineering and quality.

The TV spots and newspaper ads feature Ford Division's entire car and truck line and carry the new tagline, "Ask anyone who's driven a Ford lately."

The tagline is to be the answer to Ford's well-known themeline: "Have you driven a Ford lately?"

The newspaper ads broke Feb. 24 in national newspapers. The TV campaign began last week. AN

Europe up despite dip in German car sales

DIANA T. KURYLKO
Staff Reporter

FRANKFURT — Despite continuing weakness in Germany and the United Kingdom, European new-car sales in February rose 4.5 percent from a year earlier on the strength of renewed demand in several major markets.

According to *Automotive News* estimates, sales in the 17-nation market rose to 1.1 million units last month despite a 5.5 percent decline in Germany, Europe's biggest market, to 324,000 units.

The United Kingdom, another crucial market, slid 12 percent to 109,400 units. But that was offset by gains in other major markets, including France, Italy and Spain.

Sales for the two-month period rose to 2.42 million units from 2.36 million a year earlier.

For the two months, German car sales were down only 1.1 percent, to 655,200 units, causing analysts to review prior forecasts. DRI/Europe in London is now projecting German sales this year of 3.45 million units, up from an earlier forecast of 3.34 million units.

NEW—CAR SALES BY COUNTRY IN EUROPE

Country	2 months 1992	Pct. change vs. 1991
Germany	655,200	– 1.1
Italy	523,300	4.0
France	339,700	1.9
United Kingdom	263,100	– 0.6
Spain	169,700	27.2
Netherlands	125,500	5.8
Belgium-Lux.	106,000	19.3
Austria	50,600	6.5
Switzerland	48,700	– 0.4
Portugal	40,200	24.3
Sweden	24,900	– 0.7
Greece	20,200	– 0.0
Finland	16,000	– 16.2
Denmark	13,900	27.7
Ireland	13,500	– 10.4
Norway	9,500	10.3
Total	**2,420,000**	**2.6**

"Germany keeps coming in strong," said Edmund Chew, a DRI analyst based in Frankfurt. "We thought it (the boom) was a one-time spend and that people had run out of money."

Sales in the United Kingdom continued weak through February, falling 8.6 percent to 263,100 units, as buyers deferred car purchases in anticipation of a cut in the special car tax (story on Page 10). The reduction, which was announced last week, should boost sales this year, analysts agree.

DRI has raised its forecast for sales in Britain this year by 40,000 to 50,000 units, to a total of 1.75 million.

EUROPEAN SALES BY MANUFACTURER

Manufacturer	2 months 1992	Percent share[1]	2 months 1991	Change percent
Volkswagen[2]	402,300	16.6	377,900	6.5
Fiat Auto[3]	300,600	12.4	333,600	– 9.9
General Motors[4]	297,100	12.3	281,600	5.5
Peugeot S.A.[5]	289,500	12.0	268,400	7.9
Ford[6]	282,700	11.7	287,400	– 1.6
(Jaguar	1,900	0.1	2,500	– 24.0)
Renault	256,800	10.6	232,800	10.3
Mercedes-Benz	78,400	3.2	84,600	– 7.3
BMW	77,300	3.2	61,100	26.5
Nissan	72,500	3.0	67,200	7.9
Rover	53,000	2.2	67,600	– 21.6
Toyota	52,400	2.2	52,700	– 0.6
Mazda	42,700	1.8	47,000	– 9.1
Volvo	37,800	1.6	36,500	3.6
Honda	26,700	1.1	23,700	12.7
Mitsubishi	25,400	1.0	29,600	– 14.2
Suzuki	17,300	0.7	16,900	2.4
Lada	15,900	0.7	13,800	15.2
Subaru	8,700	0.4	8,800	– 1.1
Saab	8,700	0.4	8,800	– 1.1
Daihatsu	8,000	0.3	9,100	– 12.1
Skoda	5,300	0.2	6,800	– 22.1
Others	60,900	2.5	41,900	45.6
TOTAL	**2,420,000**	**100.00**	**2,357,700**	**2.6**

1 Does not add to 100 because of rounding.
2 Includes Volkswagen, Audi and Seat brands.
3 Includes Fiat, Alfa Romeo and Lancia.
4 Includes Opel, Vauxhall, GM—U.S. and Isuzu; excludes Saab.
5 Includes Peugeot and Citroen.
6 Includes Jaguar.

In the other major European markets, the industry showed signs of definite recovery.

Sales in Italy were strong, rising 4 percent to 523,300 units for the two months. France was up 1.9 percent to 339,700 units, while Spain jumped 27.2 percent to 169,700 units.

Among Europe's Big Six, Volkswagen Group sales through February were up 6.5 percent from a year earlier to 402,300 units, as share increased to 16.6 percent.

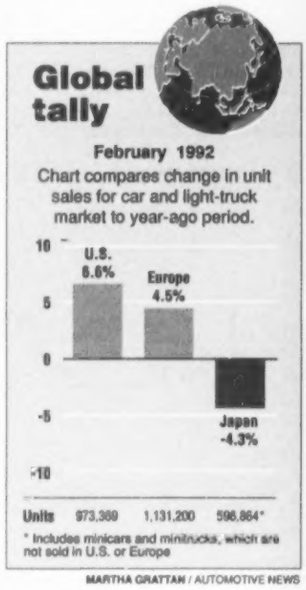
Fiat Auto was down 9.9 percent in the period to 300,600 cars, and is expected to continue to slip for several months.

Capacity-stricken General Motors leap-frogged from fifth place to third in February, with a 5.5 percent increase for the two-month period to 297,100 units.

GM began production at a new plant in Hungary plant last week (story on Page 35), and will be bringing its new east German plant in Eisenach on line in October with an annual capacity of 150,000 units.

The Hungary plant begins producing engines in July and will produce 200,000 powerplants at full capacity.

Both French manufacturers showed increases through February. Peugeot Group said its sales were up 7.9 percent to 289,500 units, while Renault's sales rose 10.3 percent to 256,800. AN



MARTHA GRATTAN / AUTOMOTIVE NEWS

JOE WILSSENS/AUTOMOTIVE NEWS

Spectators at the Geneva auto show got a good look at the wider, kidney-shaped grille BMW is using to distinguish its V-8-powered 7-series sedan from six-cylinder versions.

BMW brings back V-8 power for 7 series

JACK KEEBLER
Staff Reporter

BMW aims to do something this fall it hasn't done since the mid-1960s.

It plans to sell a passenger car with a V-8 engine.

At the Geneva auto show, BMW introduced two new eight-cylinder, multi-valve engines in the 7-series sedan. The new V-8s will fit between the existing range of six-cylinder engines and the V-12 offered in the 7 series.

The big sedans that carry the new engines are distinguished from six-cylinder-powered sedans by wider, kidney-shaped grilles similar to that used to distinguish the V-12-powered 750iL.

In Europe, the company claims the 730i does 0 to 62 mph in 8.5 seconds. The 740i is said to hit 62 mph in 7.4 seconds. Top speed for the 730i is posted at 145 mph. The 740i top speed is 150 mph.

The V-8-powered models will be in German dealerships in late summer, according to BMW AG. U.S. dealers should see the V-8-engined cars in late fall, a BMW of North America Inc. spokesman said.

Insiders at BMW speculate that some time late next year the company will offer a V-8 in the 5-series sedan. Outsiders say the 3.0-liter V-8 would make an interesting addition to the 2.5-liter six currently offered in the 3 series.

The new all-aluminum V-8s displace 3.0 liters, which provides 218 horsepower and 214 pounds-feet of torque, and 4.0 liters, with 286 hp and 295 pounds-feet of torque. The engine bank angles are 90 degrees. The cylinders breathe using two camshafts to activate two intake and two exhaust valves. Valve lash is handled by hydraulic tappets. AN

Mazda, Suzuki raise prices again

Mazda Motor of America Inc. last week announced its third price increase since the end of the 1991 model year, and American Suzuki Motor Corp. applied the second boost to its 1992 stickers.

Mazda placed price tags on two of its 1993 lines and added $700 to the 1992 edition of its 929 sedan.

The MX-6 and RX-7 coupes have been redesigned for 1993. Prices climbed $2,085 on the MX-6 base model and $720 on the LS. The RX-7 Turbo, the only 1993 in that line, is $4,200 more than the 1991 version. There is no 1992 RX-7.

Part of the increases on the MX-6 and RX-7 result from the addition of a driver-side airbag as standard. *Automotive News* estimates that the hikes on the 929, the MX-6 and the RX-7 amount to an average of $325 when spread across the full line of Mazda cars on a sales-weighted basis.

Last week's hike followed increases averaging $570, or 3.1 percent, last September and $125, or 0.8 percent, last October. The three actions have added an average of $1,020 to Mazda car prices.

That figure is expected to increase when the 1993 model 626 sedans go on sale this spring. Also, there was no mention last week of price revisions on other models.

Suzuki last week raised prices $100 on its Swift GA and GT hatchbacks and sedans. Samurai sport-utilities also went up $100, and Sidekick sport-utilities rose $100 to $150. Suzuki said the increases are due primarily to changes in the exchange rate. AN

PRICE INCREASES

	Current price	Increase
MAZDA		
MX-6 2-dr.	$15,550	$2,085
LS 2-dr. (V-6)	17,825	720
RX-7 Turbo 2-dr.	31,300	4,200
929 4-dr.	28,500	700
MX-6 and RX-7 are 1993 models.		
SUZUKI		
Swift GA 3-dr.	6,999	100
GT 3-dr.	9,699	100
GA 4-dr.	7,799	100
GT 4-dr.	9,199	100
Samurai		
JA soft top (2wd)	6,399	100
JL soft top (4wd)	8,299	100
Sidekick (2wd)		
JS 2-dr. soft top	10,799	100
Sidekick (4wd)		
JX 2-dr. soft top	12,139	140
JX 4-dr. hard top	12,649	150
JLX 4-dr. hard top	13,849	150

in brief SERVICE

Subaru to fix rust problems

DETROIT — Subaru of America Inc. is recalling 147,000 front-wheel-drive cars that might be dangerously corroded by road salt.

The cars affected are three-doors, four-doors and coupes made from 1985 to 1987.

Continuous exposure to road salt could cause rear suspension damage, which might affect operation and control of the cars, the company said.

There have been no reported accidents or injuries.

The cars will be inspected and rustproofed if needed.

— *The Associated Press*

Honda recalls 175,964 Accords

TOKYO — Honda Motor Co. will recall 175,964 Accords because of a defect in the power steering mechanism.

The defective crank pulleys, which connect to the drive generator and pump for power steering, may cause loosening of a belt and prevent the battery from recharging, Honda said.

The cars include 159,533 Accords produced by Honda in Japan from Sept. 13, 1989, to Feb. 20, 1991.

About 97,600 of those cars were exported to 17 nations.

Also being recalled are 16,431 Accord coupes produced by Honda of America Manufacturing Inc. from Jan. 29, 1990, to May 13, 1991.

— *The Associated Press*

GM service test racking up gains

Gross profits rise 9% on average

PHIL FRAME
Staff Reporter

The General Motors dealers involved in a Columbus, Ohio, pilot program to boost customer service satisfaction have seen gross profits on service rise an average of 9 percent in three months.

The GM Goodwrench Service Plus program involves reorienting dealership service departments from high-priced warranty work to lower-priced but higher-volume maintenance work — the mainstay of independent shops.

The 14 participating dealers collectively invested about $350,000 in the campaign and many already are seeing a return, even though customer-directed programs didn't start until September.

"Many of these dealers have told us that they have recognized a payback in the first 90 days," said Richard Sherman, executive director of service marketing for GM's customer sales and service staff.

Sherman: goal is selling cars

Service Plus officially started when training of dealership personnel began last June. The element of the program aimed at customer retention started three months later and advertising began in December.

"Every dealer is realizing greater sales and more customers coming back," said Marty Zwolan, manager of service marketing.

The main elements of the program are:

- Pricing that is competitive with independent repair and maintenance shops
- Free alternative transportation for customers who can't wait for service
- Convenient hours
- A lifetime guarantee on parts and labor for most work.

GM developed a database of each dealer's customers. From that, recent new-vehicle buyers are invited to the dealership for a service orientation clinic so they can see the changes that have taken place.

The early results are encouraging, Sherman said.

Besides gross service profits going up 9 percent, the number of repair orders written at the 14 participating dealerships are up 9 percent, Zwolan said. The number of hours per repair order are up 25 percent, and the effective labor rate is up 20 percent.

Dealers also are seeing improvements in shop utilization, return on parts investment and technician efficiency, Sherman said.

There also has been a marked increase in the percentage of a dealer's customers who return to the dealership for non-warranty service — from 27.6 percent in November to 37.5 percent now.

Customer surveys show that the new business is coming from people who took their vehicles to independent shops, did the work themselves or didn't have it done at all, Zwolan said.

Eight of the 22 Columbus-area GM dealers decided not to participate in the program.

To participate, dealers must pay for training service department employees on how to change the shop environment to be more like an independent shop, Sherman said. There's also an internal investment in changing labor rates so that less-experienced technicians do lower-priced maintenance work while difficult, high-tech work is done by technicians at a higher labor rate.

Dealers pay for the alternative transportation offered to customers, and commit to paying for any labor claims related to the lifetime parts and labor guarantee, Sherman said. Dealers also incur the costs of opening their service department for longer hours and maintaining the customer database set up by GM.

The average cost for a dealer is $25,000, but the figure varies widely depending on the size of the dealer's customer base, Sherman said.

"We're giving them advertising support — significant, heavy advertising support," Sherman said. "We're giving them support on the parts pricing, with the customer management system, with the development of the service orientation clinic, and with the lifetime parts guarantee."

GM expects its return will come from increased vehicle purchases by customers who are overwhelmingly satisfied with the service they have received from their GM dealer, Sherman said.

Sherman doesn't flinch at the cost of offering the program nationally to GM's 9,000 dealers, but said it is too early for such a decision to be made.

"The better we can improve the service experience, the more likely we are to get a customer back who is thinking about repurchase," Sherman said. "That's what this is all about long term. There's a tactical piece, which is more service and parts business, but we're still in the business of selling more cars and trucks."

What's included

Service Plus involves 10 categories of service:

- Air conditioning
- Shocks/struts
- Cooling system
- Transmission
- Brakes
- Fuel delivery system
- Emission control system
- Ignition system
- Front-wheel drive
- Lube/oil/filter

Protected parts

Parts covered by the lifetime warranty are:

- Air conditioning accumulator, condenser and compressor
- Brake pads and shoes
- Constant velocity joint/boot seal kit
- Ignition module, coils, wire sets and individual wires
- Exhaust gas recirculation valve
- Fuel injectors, throttle body injectors and fuel pump
- New or remanufactured generators and starter motors
- Oxygen sensors
- Shocks and struts
- Water pumps

Service work up in Jan.

Parts and service business at new-car dealerships began the year on a positive note, rising from the volume recorded at the beginning of 1991.

As measured by the Automotive News Service Index, parts and service business in January was 102.2 percent of that in the same month a year earlier.

January was the second consecutive month in which the index topped the previous year.

The largest gain for the month was in shop parts sales, up 4.2 percent. Sales of all parts and accessories rose 4.1 percent, while total labor sales and gross profit on all labor and parts and accessory sales increased slightly.

Only repair orders written were off for the month, down 1 percent.

Dealerships that reported increased business cited more aggressive advertising, tighter rein on costs, increased labor rate and a push to increase CSI scores.

One dealership credited the addition of a part-time mechanic and helper trainee, while another noted that more of its customers opted for expensive repairs in lieu of buying a new car.

Dealerships that reported a decline in business generally tended to blame the recession. One respondent wrote, "No customers — no reason — recession?"

Figures used in the Automotive News Service Index are compiled from a cross-section of new-car dealerships.

SERVICE INDEX 102.2*

	Jan., '92 vs. Jan., '91
Gross Profit on All Labor and P&A Sales	+ 0.6%
Repair Orders Written	– 1.0%
Total Labor Sales (Customer & Warranty)	+ 0.8%
Shop Parts Sales (Customer & Warranty)	+ 4.2%
Sales of All P&A	+ 4.1%

* Survey by Automotive News shows that dealers' service and parts business in January 1992 was 102.2 percent of business in January 1991.

Chrysler opens Atlanta parts center

HIGHLAND PARK, Mich. — Chrysler Corp. has opened a new 250,000-square-foot parts distribution center in Atlanta.

The center, located on a 40-acre site near Hartsfield International Airport, serves about 550 Chrysler-Plymouth, Dodge and Jeep-Eagle dealerships in eight Southeastern states.

It is Chrysler's 18th parts distribution center.

SPX, Prestone unveil recycling system

DALE JEWETT
Service Editor

WARREN, Mich. — SPX Corp. will build and market to auto dealers and service locations an automotive coolant recycling system developed by the maker of Prestone.

The system has two machines. One removes old coolant from a vehicle and replaces it in 12 to 15 minutes; the other recycles and reinhibits up to 40 gallons of used coolant in one hour.

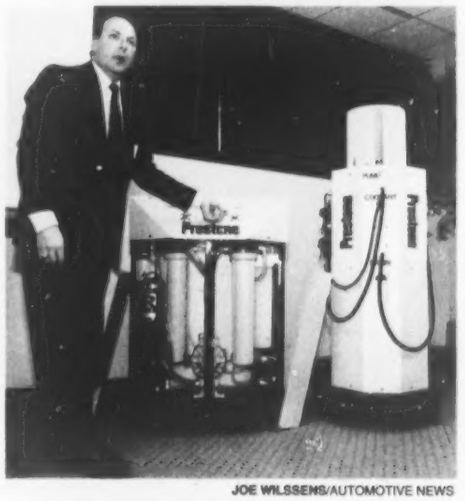
SPX's Robinair Division will build the machines, which will be marketed through the corporation's divisions, including Bear Automotive, Kent-Moore, Kent-Moore Tool and Equipment, OTC, and Robinair.

Their customers include the Big 3 and Hyundai, Isuzu, Mitsubishi, Nissan and Toyota.

The drain-and-fill machine is expected to be priced around $1,000, and the recycling unit will be priced between $3,000 and $4,000, said William Clogg, general manager of Robinair Division. The machines should be available this fall to coincide with the traditional coolant-changing season, he said.

Currently, 10 states regulate the disposal of used auto coolant, Clogg said, and several others are considering such regulations.

While the primary component of automotive coolant, ethylene glycol, is biodegradable, it picks up metals such as lead, zinc and iron from the engine's cooling system, said Tom Nathanson, vice president of technology for Prestone Technology Systems Inc.



JOE WILSSEMS/AUTOMOTIVE NEWS

Prestone's coolant recycling and drain-and-fill machines are demonstrated by Tom Nathanson, vice president of technology for Prestone Technology Systems Inc.

About 200 million gallons of concentrated coolant are sold every year, Nathanson said.

The air-pump-driven recycling machine uses a proprietary Prestone system and a series of filters to separate and remove the contaminants. It uses Prestone chemistry to reinhibit the ethylene glycol, restoring it to coolant that meets SAE and American Society of Testing and Materials standards for new antifreeze.

The drain-and-fill machine will remove 90 to 95 percent of a vehicle's used coolant and refill the system with new or recycled coolant using the vehicle's water pump. The service technician does that by cutting the vehicle's upper radiator hose and installing an adaptor.

A service operation that charges $39 for a cooling system drain and refill would make a profit of about 50 percent, Clogg said.

GM, Chrysler thrive in Canada

JEREMY SINEK
Staff Correspondent

TORONTO — Canada was a profitable place for two of the Big 3 to build and sell vehicles in 1991.

While all three makers sustained big losses in the United States, General Motors of Canada and Chrysler Canada increased their profits last year.

And although Ford Motor Co. of Canada lost money, much of the company's 1991 deficit was caused by weakness in markets outside Canada.

GM reported net income of $323.3 million ($271.2 million U.S.), seven times as much as the $39 million it earned in 1990. Last year's sales were $19.3 billion ($16.2 billion U.S.).

George A. Peapples, GM of Canada president and general manager, credited the gain to cost-cutting programs, reduced reliance on incentives, higher option content in the vehicles it produced and reduced depreciation and amortization charges.

BIG 3 RESULTS IN CANADA*

	1991	1990
GM	271.2	39.0
Ford	(76.0)	(48.0)
Chrysler	28.7	13.5

*In millions of U.S. dollars; currency converted at current exchange rate of $0.84 U.S. per $1 Canadian.

Relatively strong demand for the GM vehicles produced in Canada kept capacity utilization high.

GM's earnings rose despite a pre-tax restructuring charge of $131.8 million ($110.6 million U.S.) for the cost of closing the Scarborough, Ontario, van plant in the spring of 1993.

Ford of Canada blamed lower production and sales in North America and overseas for its loss of $209 million ($176 million U.S.) on sales of $12.2 billion ($10.2 billion U.S.) in 1991. In 1990, the subsidiary lost $57 million ($48 million U.S.).

In North America, a small increase in Canadian revenue was wiped out by a 16 percent drop in sales to Ford operations in the United States.

Ford's Canadian operations lost $85 million ($71 million U.S.), compared with a profit of $11 million ($9.2 million U.S.) in 1990.

Most of the loss — $123.5 million ($104 million U.S.) — was suffered by Ford of Canada subsidiaries in Australia and New Zealand.

Chrysler Canada's earnings more than doubled, to $34.2 million ($28.7 million U.S.), on sales of $8.3 billion ($7.0 billion U.S.).

Operating profits more than doubled, to $95.0 million ($80.3 million U.S.) from $37.6 million ($31.8 million) in 1990. Production rose 3.9 percent, to 406,893 vehicles, and retail sales rose 4.5 percent, to 207,571.

President G. Yves Landry attributed the strong performance to the effectiveness of Chrysler's massive cost-reduction program. The Canadian operation also benefitted from the success of minivans produced in Windsor, Ontario.

CANADIAN CAR AND TRUCK SALES
FEBRUARY 1992

	February 1992	February 1991	2 mos. 1992	2 mos. 1991
BMW (imported car)	**273**	**256**	**554**	**504**
N.A. Car	5,437	6,845	10,244	15,232
Imported Car	1,645	1,610	3,215	2,883
N.A. Truck	7,933	6,607	14,399	13,030
Imported Truck	58	109	123	163
CHRYSLER	**15,273**	**15,171**	**27,981**	**31,308**
N.A. Car	8,082	8,142	16,513	19,259
Imported Car	578	495	1,024	927
N.A. Truck	6,572	5,494	14,225	11,940
FORD	**15,232**	**14,131**	**31,762**	**32,126**
N.A. Car	16,765	16,059	34,688	35,939
Imported Car*	625	996	1,555	1,187
N.A. Truck	9,134	7,229	18,084	15,910
Imported Truck	276	288	624	571
GM	**26,800**	**24,572**	**54,951**	**53,607**
N.A. Car	2,033	1,400	3,860	2,454
Imported Car	3,539	5,096	6,982	9,248
HONDA	**5,572**	**6,496**	**10,842**	**11,702**
N.A. Car	189	416	375	677
Imported Car	814	1,228	1,630	2,189
HYUNDAI	**1,003**	**1,644**	**2,005**	**2,866**
JAGUAR (imported car)	**30**	**45**	**60**	**89**
Imported Car	67	26	101	46
Imported Truck	22	13	36	38
LADA	**89**	**39**	**137**	**84**
LAND ROVER (imported truck)	**16**	**10**	**28**	**31**
N.A. Car	197	530	436	817
Imported Car	2,394	1,762	4,334	2,778
Truck**	1,208	1,096	2,296	1,872
MAZDA	**3,799**	**3,388**	**7,066**	**5,467**
MERCEDES-BENZ (imported car)	**232**	**213**	**447**	**448**
N.A. Car	842	570	1,568	923
Imported Car	1,424	1,653	2,736	2,447
Truck**	804	1,002	1,587	1,654
NISSAN	**3,070**	**3,225**	**5,891**	**5,024**
PEUGEOT (imported car)	**4**	**10**	**6**	**12**
SUBARU (imported car)	**530**	**651**	**991**	**1,122**
N.A. Car	21	67	75	109
Imported Car	713	438	1,285	855
N.A. Truck	172	228	466	454
Imported Truck	264	321	439	624
SUZUKI	**1,170**	**1,054**	**2,265**	**2,042**
N.A. Car	1,692	1,514	2,737	2,422
Imported Car	3,332	3,843	6,000	6,441
Imported Truck	1,080	1,485	1,977	2,539
TOYOTA	**6,104**	**6,842**	**10,714**	**11,402**
Imported Car	1,606	2,264	3,179	4,631
Imported Truck	63	39	119	85
VOLKSWAGEN	**1,669**	**2,303**	**3,298**	**4,716**
N.A. Car	67	303	159	383
Imported Car	155	119	306	319
VOLVO	**222**	**422**	**465**	**702**
N.A. Car	**35,325**	**35,846**	**70,655**	**78,215**
Imported Car	**18,161**	**20,705**	**34,405**	**36,126**
TOTAL CAR	**53,486**	**56,551**	**105,060**	**114,341**
N.A. Truck	**23,811**	**19,558**	**47,174**	**41,334**
Imported Truck	**3,791**	**4,363**	**7,229**	**7,577**
TOTAL TRUCK	**27,602**	**23,921**	**54,403**	**48,911**
TOTAL CANADA SALES	**81,088**	**80,472**	**159,463**	**163,252**

*Includes Passport and Saab sales.
**Break down of N.A.-built and imported sales not available.
NOTE: N.A. sales are cars and trucks built in the United States and Canada.
Source: Automotive News Data Center and Assn. of Intl. Automobile Mfrs. of Canada

Trucks pull sales ahead in Canada

ANNE E. WRIGHT
and JEREMY SINEK
Automotive News

Sales of light vehicles in Canada inched ahead 0.8 percent in February, but car and truck results headed in different directions.

Trucks sales rose 15.4 percent over last year to 27,602, while cars slipped 5.4 percent to 53,486.

The year-to-year comparisons are skewed in part by a small sales boom in early 1991 that was sparked by the enactment of Canada's goods and services tax on Jan. 1. Fleet buyers delayed car purchases so they could take advantage of the lower prices.

For the first two months of this year, light-truck sales rose 11.2 percent, and car sales dropped 8.1 percent. The overall market was off 2.3 percent from 1991.

General Motors was the only Big 3 maker to post higher car and light-truck sales for both February and the year-to-date. February sales were up 9.1 percent, pushing GM's car and truck sales 2.5 percent ahead for the year. In trucks alone, GM was up 13.5 percent.

Stew Low, a spokesman for GM of Canada, attributed the truck gain to incentives. "In January, February and early March last year, there was very little incentive activity in trucks in particular," he said. "This February, in virtually all the segments, there were very competitive incentive programs."

Chrysler Canada sold 7,991 trucks in February, an increase of nearly 19.0 percent over 1991 and a record for the month. But Chrysler's car sales slipped 13.9 percent in February.

Ford Motor Co. of Canada reported increases in cars and trucks for February and an overall 7.8 percent gain. Though Ford truck sales were up 19.1 percent for two months, slipping car sales left the firm 1.1 percent behind 1991.

Norm Clark, president of Canada's Motor Vehicle Manufacturers Association, sees the truck trend as another sign of economic recovery.

"Going into the recession, the truck market probably dipped earlier than the car market," Clark said. "It may be coming back a bit quicker."

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U.S. NEW-CAR OUTLETS

Domestic and Import

	No. of retail outlets	Pct. gain or loss from previous year
Jan. 1, 1992	23,368	−3.7
Jan. 1, 1991	24,272	−1.8
Jan. 1, 1990	24,724	−0.8
Jan. 1, 1989	24,913	−0.1
Jan. 1, 1988	24,938	−0.9
Jan. 1, 1987	25,156	+1.3
Jan. 1, 1986	24,823	+0.4
Jan. 1, 1985	24,724	+0.0
Jan. 1, 1984	24,721	−0.0
Jan. 1, 1983	24,729	−3.8
Jan. 1, 1982	25,703	−2.4
Jan. 1, 1981	26,333	−5.6
Jan. 1, 1980	27,891	−2.2
Jan. 1, 1979	28,512	−0.5
Jan. 1, 1978	28,656	−0.3
Jan. 1, 1977	28,744	−1.9
Jan. 1, 1976	29,309	−1.3
Jan. 1, 1975	29,701	−1.0
Jan. 1, 1974	29,998	−0.3
Jan. 1, 1973	30,094	−0.2
Jan. 1, 1972	30,150	−0.5
Jan. 1, 1971	30,314	−1.7
Jan. 1, 1970	30,842	−0.8

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IMPORT EXCLUSIVES

(Dealerships handling one import make and nothing else)

	Number of exclusives	Number of dealers	Percent of exclusives
Honda	795	987	80.5
Toyota	705	1,193	59.1
Nissan	518	1,103	47.0
Mitsubishi	331	520	63.7
Acura	299	300	99.7
Mazda	236	908	26.0
Subaru	171	722	23.7
Lexus	118	147	80.3
Volvo	118	394	29.9
Infiniti	103	109	94.5
BMW	102	358	28.5
Mercedes-Benz	95	396	24.0
Volkswagen	83	716	11.6
Hyundai	73	495	14.7
Saab	63	315	20.0
Alfa Romeo	27	173	15.6
Suzuki	19	332	5.7
Isuzu	17	599	2.8
Daihatsu	15	211	7.1
Yugo	15	157	9.6
Jaguar	14	133	10.5
Ferrari	12	40	30.0
Lotus	4	63	6.3
Maserati	3	19	15.8
Rolls/Bentley	2	48	4.2
Lamborghini	2	21	9.5
Audi	0	218	0.0
Aston Martin	0	12	0.0

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CENSUS

Biggest dealership drop since 1982

continued from PAGE 1

was reduced to 628 by a change in the number of intercorporate duals. Those are dealerships handling the cars of two or more of the Big 3 in the same showroom.

The GM and Ford dips were the largest since 1982; Chrysler's was the stiffest since 1980.

Chrysler's dealership total has declined two years in a row after seven consecutive gains that followed its brush with death in the early 1980s.

The import-only stores fell to 5,012 on Jan. 1, down from 5,288 a year earlier.

The 5,012 consist of 3,941 exclusives, which handle a single imported make, and 1,071 duals, which stock a combination of imported lines but no Big 3 makes. Both totals are down from a year ago.

Although most of the Japanese-brand dealerships handle cars built in the United States and Canada by transplant operations, those dealerships are counted under the import banner.

All figures listed in this article and in the accompanying tables refer to the net change in dealership totals.

On Jan. 1, the Big 3 had 18,356 dealerships, down 3.3 percent from 18,984 a year earlier. The import-only total of 5,012 was down 5.2 percent.

BIG 3 LOST 345

The first half and second half were turnabout situations for the two segments.

The Big 3 lost 345 dealerships in the first half and cut the attrition to 283 in the second. The import-only stores showed a gain of 17 in the first half and a loss of 293 in the second.

The reason for the 1991 falloff is obvious. Big 3 car sales in 1991 dropped 14.2 percent from a lackluster 1990, and profit was only a word in the dictionary for most retailers. Many dealerships failed, or their owners decided it was time to run for their lives.

Also, the Big 3 decided it wasn't absolutely necessary to fill every open point in these days of depressed sales.

Sales of Japanese cars dipped only 4.4 percent, but the Europeans took a bath with a plunge of 26 percent from 1990.

2 MAKES EXIT U.S.

Two imports withdrew from the U.S. market last year, but the departure of Peugeot and Sterling had little effect on dealership totals.

Only 32 of Peugeot's 151 dealerships and none of Sterling's 124 were exclusives. The rest were part of dual outlets that kept operating.

Many of the Peugeot and Sterling spots continue to provide parts and service for those makes, but they are not counted as new-car franchises because they do not sell new cars.

Last year brought the third consecutive downturn in car sales, and those three years have cost the auto industry 1,545 new-car dealerships. The dip of 189 in 1989 was followed by 452 in 1990 and 904 last year.

The doldrums of the early 1980s exacted a much heavier toll on dealers — 1,558 in 1980, then 633 in 1981 and 974 in 1982 for a three-year drop of 3,165.

19 IMPORTS LOSE DEALERS

Apparently, the survivors of the decade-ago washout are stronger and better able to cope with a protracted period of depressed sales.

On the franchise side, 19 of the 31 imported makes in the census lost dealers during 1991.

Aside from the wipeouts of Peugeot and Sterling, the biggest loss was suffered by Porsche, down 40.

Declines of 20 or more franchises were reported by Volkswagen, Audi, Saab, Daihatsu, Maserati and Alfa Romeo.

Daihatsu has announced that it will withdraw from the U.S. market at the end of the 1992 model year.

Ten imports added franchises last year, with Hyundai posting the biggest gain.

The South Korean make boosted its total by 73. Eight of the gainers were Japanese, led by a 44-outlet pickup by Suzuki.

Among the domestics, Saturn, up 76, and Eagle, up 67, reported the only increases.

Chevrolet and Ford, the largest dealer organizations, took the biggest hits. Chevrolet lost 150 franchises, and Ford lost 134. The lightest losses among the domestics were recorded by the two most expensive Big 3 cars, Lincoln (15) and Cadillac (20).

Both the imports and the domestics have more than twice as many franchises as dealerships, which emphasizes the importance of dualing in the retail auto industry.

The 11,005 import franchises (excluding captives) result in 5,012 dealerships handling only imported cars. The 38,482 Big 3 franchises provide a network of 18,356 dealerships.

95 PERCENT HAVE IMPORTS

At the beginning of this year, an imported car could be purchased at an estimated 22,164 of the 23,368 new-car dealerships in the United States — 95 percent.

That is largely because of the captive imports handled by the Big 3.

A captive is a line that is sold only by the Big 3 company or division that imports it. All Ford Motor Co. and all Chrysler Corp. dealerships stock captives. So do all Pontiac dealerships and 89 percent of the Chevrolet dealerships. *Automotive News* estimates that 16,167 Big 3 stores carry a captive.

Domestic duals with independent imports (with no captive involved) also are included in the number of outlets at which an imported car can be purchased. AN

10 YEARS OF DEALERSHIP CHANGES

Car franchise totals, Jan. 1 of each year

	1992	1991	1990	1989	1988	1984	1982
AMC	0	0	0	0	1,368	1,440	1,547
Renault*	0	0	0	0	1,318	1,356	0
American Motors-Renault	**0**	**0**	**0**	**0**	**2,686**	**2,796**	**1,547**
Chrysler	2,909	3,002	3,093	3,106	3,049	2,888	2,639
Dodge	2,859	2,940	3,014	3,011	2,927	2,744	2,453
Eagle	1,639	1,572	1,521	1,303	0	0	0
Imperial	0	0	0	0	0	0	421
Plymouth	2,893	2,981	3,089	3,079	3,009	2,831	2,537
TC by Maserati	292	307	322	0	0	0	0
Chrysler Corp.	**10,592**	**10,802**	**11,019**	**10,499**	**8,985**	**8,463**	**8,050**
Ford	4,318	4,452	4,527	4,580	4,682	4,677	4,834
Lincoln	1,621	1,636	1,647	1,637	1,598	1,552	1,465
Mercury	2,657	2,713	2,755	2,758	2,747	2,680	2,663
Merkur	0	0	0	747	783	0	0
Ford Motor Co.	**8,596**	**8,801**	**8,929**	**9,722**	**9,810**	**8,909**	**8,962**
Buick	2,895	2,930	2,945	2,935	2,960	2,945	2,950
Cadillac	1,600	1,620	1,615	1,610	1,615	1,595	1,595
Chevrolet	4,600	4,750	4,850	4,910	5,050	5,155	5,430
Geo	4,100	4,143	4,083	0	0	0	0
Oldsmobile	3,050	3,105	3,135	3,155	3,190	3,175	3,190
Pontiac	2,915	2,960	2,975	2,975	2,980	2,980	3,040
Saturn	134	58	0	0	0	0	0
General Motors	**19,294**	**19,566**	**19,663**	**15,585**	**15,795**	**15,860**	**16,205**
UNITED STATES	**38,482**	**39,169**	**39,551**	**35,806**	**37,276**	**36,018**	**34,764**
Acura	300	300	303	218	0	0	0
Honda	987	974	956	916	879	822	801
American Honda	1,287	1,274	1,259	1,134	879	822	801
Daihatsu	211	235	235	132	0	0	0
Isuzu	599	591	572	547	242	217	193
Mazda	908	876	850	794	767	757	767
Mitsubishi	520	500	415	148	89	83	0
Infiniti	100	80	58	0	0	0	0
Nissan	1,103	1,113	1,111	1,108	1,101	1,101	1,105
Nissan Motor	1,212	1,193	1,169	1,108	1,101	1,101	1,105
Subaru	722	732	752	806	819	798	759
Suzuki	332	268	288	0	0	0	0
Lexus	147	121	88	0	0	0	0
Toyota	1,193	1,189	1,160	1,090	1,079	1,081	1,093
Toyota Motor	1,340	1,310	1,248	1,090	1,079	1,081	1,093
JAPAN	**7,131**	**6,995**	**6,788**	**5,759**	**4,976**	**4,859**	**4,718**
BMW	358	377	394	419	433	414	382
Mercedes-Benz	396	408	414	423	421	416	409
Porsche**	218	258	278	317	327	0	0
Audi	316	341	356	409	408	413	428
Porsche	0	0	0	0	0	330	325
Volkswagen	716	744	794	872	877	906	1,006
VW of America	1,032	1,085	1,150	1,281	1,285	1,649	1,759
GERMANY	**2,004**	**2,123**	**2,236**	**2,448**	**2,466**	**2,479**	**2,558**
Saab	315	340	361	367	345	325	307
Volvo	394	407	411	415	407	405	402
SWEDEN	**709**	**747**	**772**	**782**	**752**	**730**	**709**
Aston Martin	12	14	14	15	13	14	14
DeLorean	0	0	0	0	0	0	340
Jaguar	133	137	139	146	167	189	221
Lotus	63	71	71	67	47	25	28
Rolls-Royce/Bentley	48	53	53	57	59	65	67
Sterling	0	128	173	179	0	0	0
TVR	0	0	0	0	41	12	0
UNITED KINGDOM	**256**	**403**	**450**	**464**	**327**	**385**	**679**
Hyundai	495	423	323	224	0	0	0
SOUTH KOREA	**495**	**423**	**323**	**224**	**0**	**0**	**0**
Alfa Romeo	173	193	132	141	144	106	130
Bertone	0	0	0	150	125	141	0
Ferrari	40	40	40	42	42	46	43
Fiat	0	0	0	0	0	0	499
Lamborghini	21	16	13	19	10	0	0
Lancia	0	0	0	0	0	0	141
Maserati	19	42	48	65	44	41	27
ITALY	**253**	**291**	**231**	**417**	**385**	**334**	**840**
Peugeot	0	170	196	272	286	316	327
Renault*	0	0	0	0	0	0	1,347
FRANCE	**0**	**170**	**196**	**272**	**286**	**316**	**1,674**
Yugo	157	175	185	327	156	0	0
YUGOSLAVIA	**157**	**715**	**185**	**327**	**156**	**0**	**0**
TOTAL FRANCHISES	**48,487**	**50,585**	**50,732**	**46,491**	**46,804**	**45,041**	**45,925**
DEALERSHIPS							
Domestic	18,356	18,984	19,382	19,530	19,946	20,078	20,834
Import-only	5,012	5,288	5,342	5,408	4,877	4,645	4,869
TOTAL DEALERSHIPS	**23,368**	**24,272**	**24,724**	**24,938**	**24,823**	**24,721**	**25,703**

*Renault is counted with American Motors in 1983-87 census totals. It was a captive of Chrysler Corp.'s Eagle in 1988.

**Porsche was distributed by Volkswagen of America until Aug. 31, 1984.

Captives are included in total of parent make unless the captive was a separate franchise as in the case of TC by Maserati, Merkur and Geo.

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Loss of 904 dealerships in '91 wasn't industry's worst year

JOHN K. TEAHEN JR.
Senior Editor

Although the auto industry in the United States lost 904 dealerships last year, that decline was no worse than 13th on the Retailers' Roll of Agony.

Since World War II, the annual loss has exceeded 3,000 establishments on two occasions and has topped 1,500 on seven others.

In that period, the dealer total has plunged from 45,580 in 1947 to 23,368 at the beginning of this year, a drop of 48.7 percent. There has been a decline in 38 years; a rise in only seven.

The wildest swings occurred during the decade following the war when the manufacturers were trying to get their retail organizations back in shape. Five times from 1947 through 1956, the industry lost 1,500 or more dealerships. Twice, the toll was more than 3,000, including a peak of 3,281 in 1953.

But that decade also brought the biggest gain of the postwar era — 3,081 in 1948.

Only three of the heaviest losses have occurred since the mid-1960s. The recession of the early 1980s was vicious. It cost the industry 1,558 dealerships in 1980 and 974 in 1982. Last year's dip of 904 was the final member of that triumvirate.

Economic recessions have been a major reason for the steepest declines since the mid-1950s. Also, several domestic makes (Nash, Hudson, Kaiser, Willys, Studebaker, Packard, DeSoto, Edsel) have left the arena. And dozens of imported nameplates have come and gone. Each had an effect on dealer totals.

The table accompanying this article lists the biggest yearly losses in new-car dealerships in the United States since World War II.

Figures through 1957 are for domestic makes only. Figures since 1958 include both domestics and imports. That is when imported cars became an important factor in the U.S. market. AN

THE ROUGHEST YEARS

Biggest losses of new-car dealerships in the United States

Year	Loss
1953	3,281
1956	3,036
1949	2,352
1980	1,558
1958	1,550
1954	1,536
1960	1,533
1966	1,530
1951	1,529
1961	1,342
1959	1,222
1982	974
1991	904

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U.S. CAR AND LIGHT-TRUCK SALES PER DEALER

Make	Car	Truck	Feb. Total	Jan. Total
Saturn	103	—	103	83
Lexus	68	—	68	56
Toyota	47	16	63	55
Honda	49	—	49	46
Ford	22	23	45	38
Chevrolet	18	17	35	30
Nissan	23	12	35	32
Acura	32	—	32	31
Mitsubishi	28	3	31	23
Mazda	19	7	26	26
Infiniti	24	—	24	23
Dodge	8	14	22	19
Pontiac	15	1	16	12
Buick	15	—	15	14
Hyundai	14	—	14	13
Cadillac	13	—	13	9
Volvo	12	—	12	14
Mercury	12	—	12	10
Mercedes	12	—	12	11
Oldsmobile	10	1	11	10
Isuzu	1	10	11	9
Jeep	—	11	11	11
BMW	10	—	10	10
Subaru	10	—	10	8
Plymouth	5	5	10	9
GMC	—	10	10	9
VW	9	0	9	9
Lincoln	8	—	8	7
Daihatsu	4	3	7	3
Jaguar	5	—	5	5
Saab	5	—	5	3
Suzuki	1	3	4	6
Chrysler	4	0	4	4
Audi	3	—	3	3
Range Rover	—	3	3	3
Eagle	3	—	3	2
Yugo	2	—	2	3
Porsche	2	—	2	2
Alfa Romeo	2	—	2	1
Peugeot	0	—	0	1

Interest rates hurt Korean earnings

Hyundai off 20% despite rise in sales

OLES GADACZ
Staff Correspondent

SEOUL — Hyundai Motor Co., South Korea's biggest vehicle maker, said last week that 1991 net income dropped 20.4 percent from a year earlier despite robust increases in revenue and worldwide unit sales.

Hyundai attributed the profit decline, to 53.76 billion won (about $72.6 million at current rates), to sharply higher borrowing costs last year. The industry's second biggest producer, Kia Motors Corp., also said late last month that high interest rates had hurt its 1991 earnings.

Hyundai said worldwide revenue jumped 20 percent last year, to the equivalent of $7.57 billion, as domestic sales and exports continued strong.

Passenger-car sales increased 14.1 percent, to 640,628 units, generating revenue of $4.95 billion, the company said.

Propelled by the new Elantra and opening of new markets in Germany, Eastern Europe and Scandinavia, passenger-car exports climbed 10.7 percent to 253,856 units, Hyundai said. Exports generated $1.5 billion in revenue, Hyundai said.

Domestic passenger-car sales rose 16.4 percent to 386,772 units, and generated $4.95 billion in revenue, Hyundai said.

While competitors were hit by a softening of the domestic market for commercial vehicles in 1991, Hyundai said its truck and bus sales rose 7 percent to 125,817 units. Exports, at 485 units, were negligible.

Two other vehicle makers also reported last week.

Asia Motors: Unit sales for the fully owned subsidiary of Kia Motors were virtually unchanged from the year before, at 54,145, but revenue rose 11.8 percent to the equivalent of $1.3 billion.

Net income fell 20 percent to $14 million, the company said.

Bus and van sales held steady at 10,857 units while truck and specialty vehicles sales dropped to 32,986 and 4,877 units, respectively. But sales of the company's sport-utility, the Rocsta, rose 49 percent to 5,425 units.

Ssangyong Motor: A producer of sport-utilities and commercial vehicles, Ssangyong sales rose only slightly in 1991 due to sluggish demand for trucks and buses and the entry of new competitors into the 4x4 segment.

Turnover rose just 6.5 percent in 1991 compared to 60.9 percent in 1990, to reach $543 million, the company said.

Net income improved to $12.6 million, representing a gain of 60.9 percent over 1990 earnings.

Unit sales rose 6.6 percent, to 24,173 units, Ssangyong said.

But demand for the company's Korando 4x4 sport-utility slowed as customers found alternative offerings in Asia Motors' Rocsta and Hyundai Precision's Galloper.

Nevertheless, over half of the company's 1991 revenues were generated by the Korando. Sales of the 4x4 rose 8.1 percent from a year earlier to 20,486 units.

Hyundai credit lines restored

SEOUL — In an apparent signal that the government has loosened its chokehold on the Hyundai Group, banks and regulators last week permitted the huge conglomerate to resume raising funds via new bond issues and to make new investments using bank loans.

Following a squabble over taxes between Hyundai founder Chung Ju-Yung and the government, financial regulators early this year shut the group off from its major lines of credit. It was then forced to raise capital on more expensive secondary markets and to take out costly short-term loans.

The squabble took a new turn in January, when Chung announced plans to form a new political party.

Despite the sometime bitterness of the dispute between Chung and tax authorities, bankers and analysts here agree that the government is unlikely to sanction measures that would damage Hyundai's financial health.

Hyundai ranked as the country's top exporter in 1991, shipping an estimated $7.7 billion worth of products abroad — nearly 11 percent of the nation's total.

Auto exports accounted for $2.5 billion of the total.

Hyundai's largest exports were ships ($2 billion) and cars.

Despite the tax squabble, Hyundai was ranked as the most successful bidder for government-financed projects in 1991, topping the list with 87.7 billion won ($118.5 million) worth of public works. Hyundai placed 11th in 1990 with 51.9 billion won.

— Oles Gadacz

Diamond-Star begins management changes

LINDSAY CHAPPELL
Staff Reporter

A management shift has begun at Diamond-Star Motors Corp. now that founding partner Chrysler Corp. is out of the picture.

With Mitsubishi Motors Corp. now owing 100 percent of the assembly plant in Normal, Ill., an evolutionary transition is planned in management structure and personnel, said Tsuneo Ohinouye, Diamond-Star's president and chief executive officer.

Last week, Diamond-Star named Kohei Ikuta executive vice president of corporate planning, administration, and sales and marketing.

The new position is intended to bring the plant closer to Mitsubishi's U.S. sales arm, Mitsubishi Motor Sales of America Inc. Since 1987, Ikuta had been North American general manager in Mitsubishi Motors Corp.'s Office of International Business.

Ikuta will serve on Diamond-Star's board of directors.

Until Chrysler sold its 50 percent interest in the company last fall, half of Diamond-Star's eight-man board consisted of Chrysler appointees. Now, the board has seven members, all Mitsubishi appointees.

Ikuta will coordinate interaction between the assembly plant and Mitsubishi Motor Sales of America, as well as Chrysler, which remains a customer. He also will assist in export operations, an area Diamond-Star hopes to expand, Ohinouye said.

Ohinouye indicated that other changes are planned for the plant but he did not specify: "We may have to think about modifying our organization a little. It won't happen in a broad area. But our management area will change as some of us go back to Japan. Some will retire.

"We don't expect drastic change," he added, "just minor modifications to the structure. The major segment of the organization will remain unchanged."

> "We don't expect drastic change, just minor modifications."
>
> TSUNEO OHINOUYE
> DIAMOND-STAR PRESIDENT

FEW CHRYSLER MEN LEFT

Fewer than a dozen Chrysler employees remain at the plant, which builds the Mitsubishi Eclipse and Mirage, and Chrysler's Eagle Talon, Plymouth Laser and Eagle Summit.

Chrysler appointee Donald Shoene, executive vice president of finance, retired late last month and was replaced by Katsuhiko Kawasoe, executive vice president of human resources.

Ohinouye said that when Chrysler begins supplying Diamond-Star with engines and transmissions in the mid-1990s, other Chrysler personnel could be brought into the Diamond-Star organization.

Chrysler's $100 million sale of its Diamond-Star interest last year included various production agreements and a commitment to supply Chrysler with Diamond-Star vehicles through 1998.

The transplants traditionally rotate their Japanese personnel out of a plant after five years. A number of Mitsubishi personnel who helped build and launch Diamond-Star will reach the five-year point next year.

"Some of the successors will be younger and be positioned differently," Ohinouye said. "That could result in some kind of management change."

A plant spokeswoman said that about 50 Japanese personnel from Mitsubishi are currently on assignment at the company, not counting a larger number of technical advisers who work at the plant for short periods.

Saturn outlets post highest sales average

KAREN DETKOWSKI
Statistician

In February, sales-per-dealer averages increased for 28 makes and declined for only three, according to *Automotive News* sales-per-dealer calculations.

Saturn dealers were on top again, just as they were in January. Sales are increasing faster than the network of dealerships, contributing to an increase in Saturn's sales-per-dealer score. For February, it was 103 units, up from 83 in January.

Lexus dealers also had good news. An 8.2 percent increase in February sales showed up as 12 more sales per dealer than in January.

"The last weekend in February was our best of the year," said Lexus general manager J. David Illingworth.

'More of the people who are shopping are buying."

All makes in the top 10 increased their sales-per-dealer averages in February.

Only Volvo, Suzuki and Yugo sold fewer new vehicles per outlet than in January.

Volvo attributed its decline to a low consumer confidence index that reduced shopping and purchasing activity.

A spokesman said a delay in shipments from Canada delayed retail deliveries as well.

Although sales of Suzuki's Swift subcompact increased in February, sales of its Sidekick and Samurai sport-utilities were off 18.7 for the month.

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Subcompacts, luxury cars shine for imports

KRISTINE STIVEN BREESE
Staff Reporter

Sales of imported cars outpaced the overall car market in February. Imported units rose 6.4 percent while combined sales of imported and domestic cars jumped 4.7 percent.

Subcompacts were a bright spot. And there was also some healthy movement in luxury car sales.

Nissan's subcompact Sentra enjoyed a a 28.3 percent increase in February. While U.S.-built Sentras showed a modest 6.6 percent gain, sales of imported Sentras more than doubled.

Sales of Toyota's least-expensive car, the Tercel dropped 7.5 percent in February.

But Corolla sales jumped from 12,689 in February 1991 to 15,882 last month, a gain of 25.2 percent. Sales rose for both imported and U.S.-built Corollas.

Honda Civic sales were up 24.6 percent, with imported and domestic Civics contributing to this year's gain.

Like its rivals, Honda has been relying more on domestic-built cars and decreasing its dependence on imports.

Mazda also had success in the subcompact segment.

Sales of its Protege jumped 116.1 percent last month to 5,230.

But Mitsubishi's Mirage dropped 62.7 percent below last February's total.

The Mirage is due to be replaced this fall.

And even Daihatsu, which announced in February that it will from the U.S. market at the end of the 1992 model year, posted an increase. Sales of its Charade subcompact rose 143.3 percent for the month.

Sales of luxury imports also picked up.

Lexus, Acura, Audi, BMW, Infiniti, Jaguar, Mercedes-Benz and Porsche all posted gains compared with February 1991.

Lexus Division of Toyota Motor Sales U.S.A. Inc. now has three models in its lineup that weren't available a year ago.

The Lexus SC400 and SC300 coupes added 2,372 incremental units to total sales of last month. The ES300 sedan boosted sales of Lexus' entry-level model to 3,115 units, 89.2 percent better than its prededessor, the ES250, did last February.

Lexus sales in February totaled 8,748, up 97.2 percent over 4,299 in 1991.

Sales of Mercedes' 190 and 300 series and the new S-class improved for the month.

The Mercedes S-class total was 1,188 units, 67.6 percent better than last year.

BMW's 3 series did well, with sales up 22.6 percent. The 5 series and 7 series also picked up. But sales of the 850i coupe totaled only 116, down 41.7 percent from last year.

Acura was up only 56 units for the month, an increasse of less than 1 percent.

The Integra, Legend and NSX were down from last year, but the Vigor picked up the slack. The Vigor went on the market last spring.

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M-B slips in study of quality perception

PRINCETON, N.J. — The Mercedes-Benz name delivers less of a wallop than it did a couple of years ago, but it still is one of the 10 strongest brand names in terms of consumer quality perception.

That is one of the findings of the third annual Equitrend "brand equity" study conducted by Total Research Corp. of Princeton, N.J.

In the study, consumers are asked their quality perceptions of products and services they are regularly exposed to.

Mercedes-Benz placed seventh this year; it was third in 1991 and first in 1990.

Topping the 1992 list are Disney World/Disneyland, followed by Kodak.

The automotive brand with the second best quality image is Cadillac, which placed 32nd on the list.

Equitrend measures the quality perception of 147 brands in 48 product categories.

The study is based on the premise that aside from price and distribution, consumer perception of quality is the most powerful factor in brand success or failure.

The results are based on telephone interviews of a national sample of 2,000 people age 15 and over.

The survey was conducted in January and February 1992.

Workers' ideas help GM save $488 million

DETROIT — General Motors' employee-suggestion plan resulted in net first-year savings of more than $488 million in 1991, despite depressed production and sales levels, the company announced.

GM said it paid $72 million to employees who submitted more than 211,000 suggestions last year.

GM President Lloyd Reuss said the plan plays an important part in helping the automaker step up efforts to become more competitive this year.

Since the plan's creation, GM has realized nearly $6 billion in net first-year savings and paid out more than $925 million to employees.

The program marked its 50th anniversary March 7.

IMPORTED CAR SALES, FEBRUARY & YTD

	Feb. 1992	Feb. 1991	2 Mos., 1992	2 Mos., 1991		Feb. 1992	Feb. 1991	2 Mos., 1992	2 Mos., 1991
Integra	4,752	5,275	9,191	10,280	SL Coupe/Roadster	439	663	824	1,118
Legend	3,731	4,192	7,473	8,216	Tourist	15	27	36	59
NSX	110	154	228	266	**MERCEDES-BENZ**	**4,716**	**3,981**	**9,117**	**7,358**
Vigor	1,084	0	2,150	0	Tracer	3,852	5,118	6,962	8,350
ACURA	**9,677**	**9,621**	**19,042**	**18,762**	Capri	1,812	1,378	3,135	2,601
Spider	91	109	151	202	**MERCURY**	**5,664**	**6,496**	**10,097**	
164	280	159	462	318	Diamante	1,391	0	2,795	0
ALFA ROMEO	**371**	**268**	**613**	**520**	Mirage (Import)	1,618	4,522	2,064	5,935
ASTON MARTIN	**5**	**5**	**10**	**10**	*Mirage (Domestic)*	*1,130*	*2,846*	*2,184*	*2,538*
80	167	208	322	384	Galant	2,719	3,930	4,735	6,345
90	53	149	156	311	Sigma	1	30	1	57
V8 Quattro	28	60	53	117	Precis	159	290	312	582
Coupe Quattro	20	32	42	62	3000GT	918	946	1,768	1,697
100/200	759	336	1,433	670	Expo LRV	395	0	771	0
100/200 Quattro	66	89	167	173	Expo	1,148	0	1,659	0
AUDI	**1,093**	**874**	**2,173**	**1,717**	Wagon	0	40	4	91
3 series	2,104	1,716	4,129	3,055	**MITSUBISHI**	**8,349**	**9,758**	**14,109**	**14,707**
5 series	1,111	1,088	2,126	1,893	Sentra (Import)	3,843	1,590	7,994	3,279
635 CSi	0	1	0	3	*Sentra (Domestic)*	*8,826*	*8,283*	*16,766*	*15,881*
7 series	398	287	826	484	Pulsar	0	5	0	9
850i	116	199	248	357	NX	707	178	1,329	229
M3	11	40	33	65	Stanza	3,900	4,625	8,079	8,571
M5	21	34	36	56	Maxima	6,446	5,679	12,655	12,154
BMW	**3,761**	**3,365**	**7,398**	**5,913**	240SX/200SX	1,335	1,996	2,658	4,127
Geo Storm	6,370	4,104	10,530	8,613	300ZX	578	1,018	1,323	1,962
Geo Metro (Import)	1,079	990	1,787	2,004	Hawaii	0	116	0	116
Geo Metro (Domestic)	*7,558*	*5,584*	*16,032*	*12,451*	**NISSAN**	**16,809**	**15,202**	**34,038**	**30,447**
CHEVROLET/GEO	**7,449**	**5,094**	**12,317**	**10,617**	**PEUGEOT**	**48**	**317**	**151**	**664**
Colt	1,465	1,415	2,796	3,325	**PONTIAC** LeMans	941	2,024	2,907	4,313
Stealth	1,415	1,406	2,601	2,734	944S/Cabriolet	66	54	109	109
Summit (Import)	1,086	485	1,933	1,088	911 Carrera 2	184	157	362	270
Summit (Domestic)	*419*	*439*	*799*	*825*	911 Turbo	40	25	135	32
Vista	766	499	1,326	989	911 Carrera 4	104	66	189	104
TC	0	86	0	159	928S4/GT	16	20	34	49
CHRYSLER CORP.	**4,732**	**3,891**	**8,658**	**8,295**	**PORSCHE**	**410**	**322**	**829**	**552**
DAIHATSU	**1,034**	**425**	**1,403**	**873**	**ROLLS/BENTLEY**	**22**	**22**	**44**	**44**
FERRARI	**80**	**80**	**160**	**150**	900	357	400	566	625
FORD Festiva	**3,282**	**2,520**	**7,007**	**5,136**	900S	413	471	715	730
Civic/CRX (Import)	4,594	4,338	9,806	9,176	900 Turbo	255	411	432	621
Civic (Domestic)	*10,473*	*7,775*	*20,484*	*14,626*	9000S	189	216	351	367
Accord (Import)	6,132	6,759	12,050	14,173	9000CD	160	179	302	279
Accord (Domestic)	*23,697*	*17,984*	*44,729*	*33,560*	9000 Turbo	90	129	158	207
Prelude	3,015	1,583	5,917	3,138	Tourist	0	4	0	6
HONDA	**13,741**	**12,580**	**27,773**	**26,487**	**SAAB**	**1,464**	**1,810**	**2,524**	**2,837**
Excel	3,068	5,154	6,134	9,516	**STERLING**	**0**	**211**	**0**	**415**
Sonata	769	1,663	1,578	3,082	Legacy (Import)	826	1,449	1,632	2,287
Scoupe	1,059	1,994	2,053	3,722	*Legacy (Domestic)*	*3,940*	*2,828*	*6,222*	*5,610*
Elantra	1,953	0	3,103	0	Loyale	1,930	2,956	3,933	5,440
HYUNDAI*	**6,849**	**8,811**	**12,868**	**16,320**	XT/XT6	0	155	0	324
M30	327	444	632	744	Justy	269	666	561	1,457
Q45	1,044	652	2,034	1,212	SVX	319	0	557	0
G20	1,218	809	2,366	1,811	**SUBARU**	**3,344**	**5,226**	**6,683**	**9,508**
INFINITI	**2,589**	**1,905**	**5,032**	**3,767**	Swift (Import)	406	329	919	719
I-Mark	0	17	0	38	*Swift (Domestic)*	*19*	*33*	*43*	*34*
Impulse	250	310	482	555	**SUZUKI**	**406**	**329**	**919**	**719**
Stylus	556	342	991	531	Corolla (Import)	6,517	5,270	12,723	11,287
ISUZU	**806**	**669**	**1,473**	**1,124**	*Corolla (Domestic)*	*9,365*	*7,419*	*17,933*	*13,948*
XJ6	159	379	629	771	Paseo	3,065	0	5,887	0
XJS	483	189	644	308	Tercel	7,458	8,060	14,654	15,867
JAGUAR	**642**	**568**	**1,273**	**1,079**	Celica	3,351	4,893	6,469	9,076
LAMBORGHINI	**13**	**13**	**26**	**26**	Supra	116	293	236	531
ES250/300	3,115	1,646	5,553	3,028	Camry (Import)	6,547	5,625	12,080	10,989
LS400	2,991	2,653	5,508	4,399	*Camry (Domestic)*	*17,974*	*12,516*	*30,018*	*22,986*
SC400/300	2,372	0	4,463	0	Cressida	282	839	614	1,671
LEXUS	**8,478**	**4,299**	**15,524**	**7,427**	MR2	523	988	942	1,804
LOTUS	**27**	**27**	**54**	**54**	**TOYOTA**	**27,859**	**25,968**	**53,605**	**51,225**
MASERATI	**20**	**20**	**40**	**40**	Cabriolet	690	400	943	697
323	1,603	1,283	2,978	3,107	Corrado	280	637	560	1,045
Protege	5,230	2,420	8,987	6,790	Jetta	2,338	2,353	4,892	4,939
626 (Import)	89	1,673	240	2,825	Golf/GTI	958	951	2,032	1,948
626 (Domestic)	*3,566*	*8,148*	*7,524*	*11,643*	Passat	860	1,620	1,963	2,821
MX-6 (Import)	19	42	49	59	Quantum	1	0	1	0
MX-6 (Domestic)	*1,068*	*3,509*	*1,720*	*5,495*	Fox	973	1,571	2,121	2,503
MX-5 Miata	1,617	2,438	2,899	4,344	**VOLKSWAGEN**	**6,099**	**7,533**	**12,511**	**13,954**
MX-3	2,001	0	4,060	0	240 series	1,428	2,454	3,185	4,536
929	1,612	552	3,553	1,299	700 series	1,447	2,303	3,021	4,501
RX-7	291	361	531	768	940 series	2,098	956	4,260	1,911
MAZDA	**12,462**	**8,769**	**23,297**	**19,192**	Tourist	13	12	30	33
190 class	1,220	1,172	2,312	2,041	**VOLVO***	**4,986**	**5,725**	**10,496**	**10,981**
300 class	1,854	1,410	3,320	2,519	**YUGO**	**317**	**245**	**894**	**612**
S class	1,188	709	2,623	1,621	**IMPORT TOTAL**	**158,545**	**149,073**	**305,063**	**286,886**

*Estimate * Includes units produced in Canada NOTE: Domestic cars not included in imported totals.

Compiled by Karen Detkowski

DOMESTIC AND IMPORTED CAR & LIGHT-TRUCK INVENTORIES

Vehicles are domestic unless noted. Vehicles are cars unless noted.

	Units	Days' Supply Mar. 1, 1992	Feb. 1, 1992
ALFA ROMEO (imp.)	1,200	83	152
Acura (imp.)	40,400	104	107
Domestic car	96,300	70	72
Imported car	54,600	99	102
Honda	150,900	79	81
AMERICAN HONDA	191,300	89	76
BMW (imp.)	8,300	55	97
Summit	4,900	292	248
Talon	10,400	110	167
Premier	1,200	69	64
Wrangler (trk.)	21,900	151	162
Cherokee (trk.)	29,100	58	63
Comanche (trk.)	2,000	124	157
Total Jeep-Eagle	16,500	128	151
Total Jeep-Eagle (imp.)	7,600	174	222
Total Jeep-Eagle (trk.)	53,000	80	84
Laser	11,200	153	173
Sundance	14,600	73	73
Acclaim	14,800	66	68
Voyager (trk.)	46,000	83	83
Total Plymouth	40,600	82	85
Total Plymouth (trk.)	46,000	83	83
LeBaron A	7,100	58	59
LeBaron J	7,000	55	73
Fifth Avenue	6,400	59	63
Imperial	1,900	106	59
New Yorker C	3,500	53	61
Town & Country (trk.)	1,700	51	54
Total Chrysler	25,900	59	63
Total Chrysler (imp.)	36,100	191	217
Total Chrysler (trk.)	1,700	51	54
Shadow	16,500	65	72
Monaco	600	99	86
Daytona	5,700	133	178
Spirit	14,600	75	76
Dynasty	11,400	37	58
Vans (trk.)	13,600	86	108
Ram Wagon (trk.)	2,000	29	34
Caravan (trk.)	26,400	68	70
Caravan C/V (trk.)	1,500	81	76
Ram 50 (imp. trk.)	4,600	291	341
Ramcharger (trk.)	1,100	70	80
Dakota (trk.)	33,400	86	110
Pickups (trk.)	25,600	84	127
Total Dodge	48,800	68	74
Total Dodge (imp.)	10,000	177	204
Total Dodge (trk.)	103,600	77	93
Total domestic car	131,800	70	79
Total imported car	53,700	191	200
Total domestic truck	204,300	79	88
CHRYSLER CORP.	389,800	80	89
Imported car	1,600	39	57
Imported truck	513	21	39
DAIHATSU	2,113	32	51
Escort	52,100	65	87
Mustang	19,500	71	124
Tempo	25,600	33	63
Taurus	55,200	46	52
Thunderbird	15,300	43	112
Probe	28,200	190	260
Crown Victoria	20,600	84	74
Vans (trk.)	34,000	92	122
Aerostar (trk.)	33,800	70	95
Club Wagon (trk.)	6,000	62	91
Ranger (trk.)	67,100	84	97
Bronco (trk.)	6,100	97	102
Explorer (trk.)	60,500	67	65
Pickups (trk.)	119,300	100	111
Total Ford Div.	216,500	58	80
Total Ford Div. (imp.)	10,300	78	72
Total Ford Div. (trk.)	326,800	83	94
Topaz	11,800	49	83
Sable	17,300	59	59
Cougar	11,400	59	122
Grand Marquis	20,400	67	61
Total Mercury	60,900	59	78
Total Mercury (imp.)	13,900	61	102
Continental	6,000	45	72
Town Car	15,700	43	39
Mark VII	2,300	100	125
Total Lincoln	24,000	46	48
Total L-M Div.	84,900	55	32
Total domestic car	301,400	57	65
Total imported car	24,200	68	68
Total domestic truck	326,800	83	94
FORD MOTOR CO.	652,400	71	89
Somerset/Skylark	17,200	65	97
Century	16,300	44	54
Regal	24,500	86	132
LeSabre	13,900	31	35
Roadmaster	22,000	180	163
Reatta	100	167	70
Electra/Park Ave.	18,100	92	111
Riviera	3,400	97	106
Total Buick	115,500	67	78
Allante	1,300	387	307
Seville	6,600	57	52
DeVille	25,500	43	79
Brougham	8,500	202	204
Eldorado	9,300	122	124
Total Cadillac	51,200	81	98
Geo Prizm	20,500	98	87
Cavalier	47,400	65	77
Camaro	12,700	70	78
Corsica/Beretta	23,400	41	70
Lumina	54,800	76	148
Caprice	24,900	75	101
Corvette	4,600	94	110
Vans (trk.)	41,700	171	187
Sportsvan (trk.)	1,300	47	74
Geo Tracker (trk.)	12,400	153	42
Astro (trk.)	28,800	78	85
Lumina APV (trk.)	16,200	120	106
S10 (trk.)	73,700	134	117
S10 Blazer (trk.)	34,900	102	76
Blazer (trk.)	2,000	46	47
Suburban (trk.)	4,400	36	33
Pickups (trk.)	101,900	84	114
Total Chevrolet	188,300	81	81
Total Chevrolet (imp.)	31,000	197	334
Total Chevrolet (trk.)	317,300	102	107
Calais/Achieva	18,800	67	135
Cutlass Ciera	23,600	66	66
Cutlass Supreme	24,800	110	143
Eighty Eight	26,900	104	99
Ninety Eight	17,300	139	221
Toronado	2,100	122	138
Sihouette (trk.)	4,200	99	104
Bravada (trk.)	2,700	52	69
Total Oldsmobile	113,500	139	186
Total Oldsmobile (trk.)	6,900	73	86
Sunbird	2,100	122	70
Firebird	113,500	86	137
Grand Am	15,900	71	103
Pontiac 6000	7,300	124	93
Grand Prix	38,500	51	106
Bonneville	400	74	69
Trans Sport	6,100	71	94
Total Pontiac	177,700	74	91
Total Pontiac (imp.)	5,700	151	69
Total Pontiac (trk.)	6,100	71	94
Vans (trk.)	16,000	157	122
Safari (trk.)	10,400	106	79
S15/Sonoma (trk.)	18,600	127	121
S15 Jimmy (trk.)	11,200	119	117
Jimmy (trk.)	2,500	249	386
Suburban (trk.)	3,900	85	155
Pickups (trk.)	39,100	99	115
Total GMC (trk.)	101,700	112	115
Total Saturn	22,400	73	56
Total domestic car	668,900	85	85
Total imported car	36,700	215	243
Total domestic truck	432,900	103	108
GENERAL MOTORS	1,137,300	91	97
HYUNDAI (imp.)	32,900	126	115
Imported car	6,200	192	267
Truck (dom./imp.)	43,870	191	224
ISUZU	50,070	191	230
JAGUAR (imp.)	2,200	87	95
Domestic car	19,300	104	120
Imported car	33,900	68	77
Truck (dom./imp.)	25,750	111	90
MAZDA	78,950	86	90
MERCEDES-BENZ (imp.)	10,200	54	78
Domestic car	19,300	104	178
Imported car	43,300	130	186
Imported truck	10,300	171	144
MITSUBISHI	72,900	131	177
Infiniti (imp.)	7,800	73	63
Domestic car	25,400	104	116
Imported car	95,900	143	132
Truck (dom./imp.)	47,900	92	117
Nissan	169,200	110	124
NISSAN MOTOR CORP.	176,800	107	120
PEUGEOT (imp.)	100	30	30
PORSCHE (imp.)	1,200	71	77
RANGE ROVER (imp. trk.)	700	66	63
SAAB (imp.)	5,200	99	120
Domestic car	31,000	197	341
Imported car	24,700	185	198
SUBARU	55,700	191	256
Car (dom./imp.)	2,900	180	136
Truck (dom./imp.)	12,400	137	268
SUZUKI	15,300	147	227
Lexus (imp.)	5,800	17	21
Domestic car	30,600	28	32
Imported car	25,700	47	49
Imported truck	41,300	55	59
Toyota	97,600	33	46
TOYOTA MOTOR SALES	98,200	31	44
Audi (imp.)	7,800	181	182
Volkswagen (imp.)	29,500	121	148
VWoA	37,400	128	161
VOLVO (imp.)	28,200	101	106
YUGO (imp.)	600	48	27
Domestic car	1,257,200	64	79
Imported car	571,500	90	103
TOTAL CAR	1,828,700	70	85
Domestic truck	987,600	98	99
Imported truck	160,300	91	97
TOTAL TRUCK	1,158,900	98	91
TOTAL STOCK	2,985,600	77	87

Inventories shrink to 77 days

JIM HENRY
Staff Reporter

The industry's supply of cars and light trucks shrank to 77 days as of March 1, down from 87 a month earlier.

Relatively strong sales in February helped reduce the stockpile, despite stronger production schedules at most U.S. assembly plants.

Car stocks fell from 85 days to 70. The domestic supply was 64 days; the import stock was 90.

Light-truck supplies declined for individual models but held at 90 days, just one less than on Feb. 1. Domestics (90 days) and imports (91) were even in days' supply.

Stocks of the Jeep Cherokee declined from 63 to 58 days, for instance, as Cherokee sales jumped 69.7 percent for the month. Chrysler Corp. light trucks greeted March with a 79-day supply, compared to 88 days on Feb. 1.

Inventories fell for each of the Big 3, after swelling in January.

Chrysler Corp.'s stock of light vehicles dipped from 89 days to 80 days.

Ford Motor Co. dropped from 89 days to 71, and General Motors from 97 days to 81.

Daihatsu America Inc., which announced last month that it is ceasing imports, shrank from a 51-day supply to 32 days. Daihatsu sales in February jumped 180 percent over January.

Inventories also fell for the biggest Japanese-based companies. American Honda Motor Co. Inc. had a 69-day supply on March 1, down from 76 on Feb. 1. Its Acura Division was fat by comparison, at 104 days.

Nissan Motor Corp. in U.S.A. weighed in at 107 days, down from 120. Toyota Motor Sales U.S.A. Inc. had a 31-day supply, down from 44 days.

TRUCKS

Ford, Toyota eye new segment

continued from PAGE 1

Jeep Comanche. They accounted for about 89,000 sales a year, most of them Dakotas.

A Ford entry would mark an ironic twist to Toyota's on-again, off-again plans for the segment. Toyota's U.S. executives, led by Executive Vice President Robert McCurry, had long talked about their hopes of entering the full-sized segment.

When Toyota announced last March that the project was on hold, the company also said the model would be smaller than a full-sized truck. It was widely believed that Toyota scaled back its plans out of fear of attacking Detroit's last exclusive bastion of profitability.

Now, Ford sources indicate that a mid-sized Ford entry would be a response to Toyota's plans for the segment.

"We're certainly paying attention to the Toyota rumors," Allan Gilmour, president of the Ford Automotive Group, said last month. Gilmour would not say whether Ford was working on the truck.

A group of Ford designers met with Gilmour in January, saying that Ford would be kept out of a potentially lucrative segment if Toyota offers a mid-sized entry. Dealers have also told Ford that they want to bolster their current lineup by adding a cross between a full-sized and compact pickup. It would have more car-like handling and possibly be derived from an F-series platform.

Few details are known about either the Ford or Toyota models. But sources say Toyota's entry will likely carry a V-6 engine initially, with a V-8 option possible as soon as the 1994 model year. It is also expected to be like a full-sized pickup in its ability to carry a 4-by-8-foot sheet of plywood between the wheel wells. The existing mid-sized trucks carry such loads above the wheel wells.

HANS LEHMANN/HIDDEN IMAGE

Toyota's pickup is expected to be similar in size to the Dodge Dakota.

Toyota executives in the United States have said that annual volume would be in the 80,000-unit range. Toyota Motor Corp. spokesman Andrew Pheiffenberger in Tokyo characterized reports of 100,000 annual sales as "too much."

Pheiffenberger said the model will be built in Japan at first. If so, it would be subject to the 25 percent U.S. tariff on imported pickups.

But Pheiffenberger added that Toyota also will explore assembly-lying the model in the United States. Last year, Toyota began building compact pickups at its New United Motor Manufacturing Inc. joint-venture plant in Fremont, Calif.

Toyota's confirmation surprised some insiders. Japanese trade tensions are much higher now than they were a year ago, when the company announced the project had been put on hold.

Indeed, the drama surrounding the pickup has been commonly cast as a battle between McCurry's ambitions and more politically sensitive considerations in Tokyo.

That was reflected again last week.

A spokeswoman in Torrance, Calif., said, "Toyota will have a new intermediate-sized pickup truck sometime in the 1993 model year, and it will be built in Japan."

But in Tokyo the language was much more guarded.

"We are moving ahead with preparations on an intermediate-sized pickup on the assumption that we can do something in 1993," said Pheiffenberger.

"However, no final decision has been made. Toyota is still studying a number of factors, including the economic conditions in the U.S. market, and also the current (political) mood."

The words on the record

A larger pickup has been an on-again, off-again gleam in the eyes of Toyota Motor Sales U.S.A. executives. Some key comments during the last 18 months:

- **September 1990** — Robert McCurry, executive vice president: Any larger Toyota pickup Toyota builds won't arrive for at least two or three years. Ford Motor Co. and General Motors are too solidly entrenched in the full-sized market for Toyota to capture their customers. Toyota's entry would give owners of Japanese pickups something to move up to.
- **January 1991** — McCurry: a decision is due within 60 days.
- **February 1991** — Al Wagner, senior vice president: "There's no question we're planning a large truck, it's just a matter of when."
- **March 1991** — Toyota: a soft market and uncertain economy have forced an indefinite delay. The pickup will be between a compact and a full-sized model.
- **October 1991** — George Borst, vice president: A decision on a larger pickup is due "soon."
- **March 1992:** Toyota: Mid-sized pickup will go on sale during the 1993 model year.

Mid-sized truck segment measures up

In the past, *Automotive News* has divided pickups into just two sales categories: full-sized and compact. However, it is fairly easy to rejuggle the lineup to find a mid-sized segment made up of Dodge Dakota and Jeep Comanche.

The Dakota has a natural claim to the segment, being Dodge's middle offering between the Ram 50 and Ram 150, and the company calls it mid-sized in its marketing. Comanche, which gets little marketing support, is a tad bigger than Dakota in most dimensions and much smaller than the full-sized offerings.

Joining the little Dodge in the compact category are the Chevrolet S-10 and its GMC clone, the Ford Ranger, and pickups from Isuzu, Mazda, Mitsubishi, Nissan and Toyota. The average base-model wheelbase is 106.0 inches, and all models in the category are within 3 inches of that.

The average wheelbase for the two base-model mid-sized trucks is 112.6 inches.

At the full-sized end are the Ford F series, GM's C/K and Sierra clones, and the Dodge Ram 150. Their average base-model wheelbase is 116.4 inches.

Wheelbase alone can't determine segment, because a given nameplate has longer variations. In fact, the longest version of a compact pickup, the Ford Ranger SuperCab, has a longer wheelbase (125.0 inches) than any of the standard-model full-sized machines.

However, width is an excellent tool since it changes little with different versions of the same chassis, and there are no overlaps between classes. Entries in the compact class clump around their average width of 65.7 inches. The mid-sized average is 70.6 and the full-sized average is 78.4.

digest

HIGH COURT SLAPS GM, FORD

WASHINGTON — The U.S. Supreme Court has unanimously upheld a 1987 Michigan law that will require General Motors and Ford Motor Co. to repay some $25 million in withheld workman's compensation to employees injured before March 1982. The court rejected the automakers' arguments that the Michigan law abused their due process rights.

In this case, the auto companies had reduced workman's compensation payments by the amount the workers received in other benefits.

Ford's share is $7 million plus interest, which will go to 270 workers. The company said the decision retroactively increases workman's compensation rates for 1982 through 1987.

REPORT: U.S. NOT SO OPEN

WASHINGTON — The Bush administration has opposed bills in Congress to limit Japanese auto imports, saying it is firmly committed to a policy of open markets. But the rest of the world doesn't see the United States as open, according to a new report from the staff of the General Agreement on Tariffs and Trade, the 103-nation world trade organization headquartered in Geneva.

The report said the United States has been one of the most frequent users of anti-dumping and countervailing duty actions, forms of protectionism aimed at keeping cheap imports out of the country. For example, the number of anti-dumping investigations doubled last year, the trade group said.

Between 1988 and 1990, the U.S. Commerce Department ruled in almost every case — 68 out of 71 — that dumping was occurring, the report said. The result: Foreign manufacturers hold back products or price them higher.

FORD HIKES MEXICO WAGES

HERMOSILLO, Mexico — Ford Motor Co. has given workers at its Escort/Tracer assembly plant here an across-the-board 15 percent wage increase as part of a new two-year labor contract.

The agreement was ratified last week by the plant's 2,100 hourly workers and is retroactive to March 1.

A Ford spokesman said the contract also grants some adjustments in plant benefits, but said details were not yet available.

The Hermosillo plant exports Escorts and Tracers to the United States.

Ford's Mexican plants negotiate new contracts every two years, and conduct wage talks annually.

The spokesman said the 15 percent increase is "on a par with what industries have been paying there." A separate wage contract will expire later this month at Ford's manufacturing complex near Mexico City.

GM WINS SAUDI CONTRACT

PONTIAC, Mich. — The U.S. Army awarded a $25.7 million contract to General Motors' Truck and Bus Group to produce military vehicles for Saudi Arabia. GM will produce 600 trucks with a chassis-style cab with an ambulance body, the Army said.

HUNGARY ROLLS OUT ASTRA

SZENTGOTTHARD, Hungary — The first Opel Astra built in Hungary was completed last Friday. Initially, annual car assembly on one shift is planned at approximately 15,000 Astra units. In July, the production of gasoline engines for Opel and Vauxhall cars will begin at the Szentgotthard plant, with an annual capacity of over 200,000 units.

OUTSOURCE

Small firms build 22.5% of cars for Japan's Big 6

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from subcontracting in the automotive industry were reduced labor and capital costs.

But in the end, he said, the Japanese were able to claim the most important benefit of all from the outsourcing system — faster technical change.

"While the U.S. industry was locked into rigid union rules and sluggish management, subcontracting permitted the Japanese auto firms to tap the entrepreneurial abilities of suppliers," Smitka said. "This was central to how the Japanese 'did it.' "

Japanese executives say the system goes back to the early postwar period, when the industry was regrouping.

"We established these companies to help each other mutually with development and technology," Toyota Chairman Eiji Toyoda said in a recent interview.

"The work involved different categories of jobs. It was not efficient for everything to be done by one company. We felt it was more efficient to establish separate companies for small volume work."

Toyota, which uses a network of eight independent subassemblers, produced 1,823,100 vehicles outside its own plants in Japan last year — 45 percent of total output.

Hirosuke Terada, Toyota's general manager of planning and production control, said subsidiary assembly work provided part of the "driving force" for the company's postwar expansion.

"It would have been difficult for one company alone to make such drastic changes," he said.

DOES SYSTEM IMPERIL QUALITY?

Toyoda said the system offers some advantages, particularly in difficult times "when we can help each other." But there also are disadvantages, he conceded, although he declined to cite any.

According to Krafcik and others who have studied the system, however, the dangerous downside to the system is quality control — outsourced vehicles tend to have more problems than those produced in-house.

In Toyota's case, for example, J.D. Power & Associates ranks the Previa minivan as having 132 defects per 100 vehicles in its 1991 Initial Quality Survey, which is conducted during a vehicle's first 90 days of ownership. The Previa is produced by Toyota Auto Body Co., a partly owned affiliate.

The Previa rating compares unfavorably with Power's average rating for all Toyota products — 90 — and is 85 points worse than Toyota's top-rated model, the Lexus LS400. The MR2, another farm-out that is assembled by Central Motor Co., is ranked by Power as having 119 problems per 100.

On the other hand, Toyota's lowest-rated product — the Supra, with 133 problems per 100 — is produced in one of the company's main plants.

Not surprisingly, Toyota insists there is no difference in quality between cars built in the main plants and the subsidiaries.

"Quality is quite the same," Terada said. "Others may express concern that quality is less, but I would deny that concern. Standardization of quality is applied to each plant."

But Honda Motor Co. Executive Vice President Shoichiro Irimajiri concedes that quality can be a problem if the subassembler is not firmly controlled.

"If production is kept simple, the system will work very well," he said. "If it becomes complex, varieties develop in the plant, staff is added and the advantage will disappear."

Honda works at keeping it simple. It assigns production of mini-vehicles (engines under 660cc), including the two-seat sporty Beat, to Yachiyo Industry Co., a Honda-related parts maker for 30 years that graduated into body assembly work eight years ago.

Honda owns a 40.3 percent interest in Yachiyo.

"The biggest advantage in such a system is reduced costs and small overhead," Irimajiri said.

In developing light-weight vehicles, he said, "cost competitiveness is a first priority."

At Honda's plants, 25 to 30 percent of the work force are non-line staff. But at Yachiyo, which employs 2,119 workers, only 10 percent are administrative staff.

"It is a lean organization," Irimajiri said.

But out-sourcing is not so useful when a quick model change is required, he said.

"When the engine has to be developed at the same time and simultaneous engineering is necessary, we can work together if it is in-house. Outside work can be more difficult," Irimajiri said.

SHORT-TERM ADVANTAGES

Nissan Executive Vice President Atsushi Muramatsu also said the system has a downside.

"If the volume is small and for a short period of time, there is an advantage," he said. "But for regular mass production, you cannot guarantee quality."

Muramatsu sees "no great advantage" to the system other than the historical motives.

"Wage levels may be lower for the subcontractors, but they face the same labor shortage," he said.

In terms of raising money, he said, the costs are higher for the subcontractors, "and eventually that cost comes back to us."

But the "eventually" part may be the final advantage.

"If the parent company wants to minimize fixed costs and reduce risks in event of a downturn, they can allow the fixed costs to accumulate at the subcontractor," said Ben Moyer, who follows the industry for Merrill Lynch in Tokyo.

"It allows for a better productivity figure, a lower break-even point, assuming labor costs are counted at a fixed percentage, and a better productivity per employee ratio," Moyer said.

Toyota's subcontract assemblers, for example, tend to operate on a lower profit margin than Toyota, Moyer said.

IRS

Service-pact ruling ensnares imports

continued from PAGE 1

program, Mazda's dealers were principals so they could be vulnerable to IRS audits. Petrizzo said he is unaware of any dealers who have been audited.

"We are looking into the old contract and its implications for our dealers," he said.

Ford, which had a similar program until 1989, has said it will pay the interest assessed on dealers who are audited on sales of its extended service contract from 1985 to 1989.

Dealers selling extended service contracts from General Motors and Chrysler Corp. are unaffected by the IRS ruling.

The interpretation by the IRS turns on whether the dealer is primarily obligated to customers or whether the obligation is between the manufacturer and the customer or the insurer and the customer.

Ford triggered the issue by changing its extended service contract program in 1985 making dealers the principals even though the program was insured by the subsidiary American Road company.

Under pressure from the IRS and dealers, Ford removed dealers as principals under the program in 1989. But by then, the IRS had already begun auditing Ford dealers.

The National Automobile Dealers Association, Ford and several independent extended service contract administrators opposed the ruling. But in February, the revenue service issued a technical advisory on a test case in Ohio reiterating its position.

David Roberston, who is coordinating lobbying efforts on behalf of two extended service contract administrators, estimates the IRS ruling could push 10 percent of the nation's dealers out of business.

Even NADA executive vice president Frank McCarthy concedes that some dealers are at risk.

The IRS assessed one dealer $500,000 while other assessments have ranged from $100,000 to $200,000, according to NADA and other sources.

More than 160 Ford dealers have been audited by the IRS so far. Dealers in Washington and Oregon have been special targets.

The Washington State Automobile Dealers Association is surveying dealers on whether they will contribute to a fund to research legal options.

Dealers believe the IRS plans to audit every dealer in the state.

Janet L. Cunningham, executive vice president of the Washington association, said the IRS is auditing "tons of dealers, not just big dealers but dealers in out-of-the-way places."

Toyota said it is reviewing the IRS decision and how it will affect dealers. Most of the audits of Toyota dealers have been in Washington and Oregon.

"We are studying alternatives," said the Toyota spokesman. "It is our desire that our dealers and customers have the best extended service contract program — one that relieves the dealer from this tax situation yet complies with state insurance regulations governing the sale of this product."

Mark Miller, owner of Mark Miller Toyota in Salt Lake City, said the issue as it concerns Toyota dealers first emerged at the NADA convention last month.

"I certainly hope Toyota will change the extended service contract and help dealers," he said. "They need to change the contract or dealers will stop selling it."

Meantime, independent administrators of extended service contracts fear the ruling will drive them out of business by making their programs noncompetitive with factory programs.

Dealers are usually the principal under the terms of extended service contracts offered by independent companies.

Robertson said 50 percent of the nation's dealers sell extended service contracts from independent administrators and 95 percent of them use accounting methods contrary to the IRS advisory.

Ironically, the government doesn't gain any additional revenues by requiring dealers to amortize the expense of the contract over the life of the agreement, rather than in the first year.

However, Robertson estimates that the government could raise $10 million in back taxes, penalties and interest by auditing dealers.

Robertson met with government officials last week in a last-ditch lobbying effort for legislation to change the the IRS' interpretation of the tax code or to insert into the code language that exempts dealers from the prepayment of premiums rule.

The best he can hope for now is that the President's Council on Competitiveness recommends a moratorium on the advisory under President Bush's 90-day moratorium on regulations.

GM's debt rating falls a notch

NEW YORK — Standard and Poors last Friday downgraded its debt ratings for General Motors and some subsidiaries.

The rating agency cited GM's "massive losses, higher debt levels and growing unfunded pension and retiree medical liabilities."

Standard and Poors lowered its ratings on the senior debt of General Motors, General Motors Acceptance Corp. and GM Hughes Electronics from A to A-minus.

Lowering a company's debt rating can raise its borrowing costs.

The agency said that while GM's operating efficiency and products will likely improve, the gains could be offset by market and competitive factors.

GM "continues to enjoy well-above-average financial flexibility," S&P said.

At year-end, GM had about $90 billion in consolidated debt outstanding, the rating service said.

incentive WATCH

INCENTIVE WATCH— DEALER INCENTIVES

NEW PROGRAMS

NISSAN (expires May 4)

240SX (1991)	$1,000
Stanza (1992)	$1,000
Maxima GXE (1992)	$800
Sentra (1992)	$500
King Cab pickup (1992)	$1,000
Other pickups (1992)	$1,300

CONTINUING PROGRAMS

ACURA (1991 models, expires May 1)

Legend sedan	$2,500
Legend coupe	$3,000

AUDI (1991 models, no expiration date)

Audi 100 and 200	$1,500
Audi 90	$1,000

Rebates apply to models purchased by dealer from Audi of America port stocks.

BMW (no expiration date)

750iL (1991)	$10,000

CHEVROLET (expires May 4 on 1991 models, June 4 on 1992 models)

Corvette ZR-1	$2,000
Other Corvette	$1,000

ISUZU (No expiration date; 1990-92 models unless otherwise noted. Rebates vary by regions.)

Impulse	$1,000-2,500
Stylus S	$600-800
Stylus S (Calif. only)*	$1,250
Stylus RS	$600-800
Stylus XS (1991, except Calif.)	$1,000
Stylus XS (Calif. only)*	$1,250
Rodeo 4x2	$600
Rodeo 4x4	$1,000
Trooper (except Calif.)	$1,000-1,250
Pickup	$500-1,500
Pickup (1991 4x4, bonus in some regions)	$400

*Dealer has option of sharing rebate with buyer.

LOTUS (1991, no expiration date)

Elan	$5,000
Esprit Turbo	$11,000-15,000

MAZDA (expires April 6)

RX-7 (1991)	$2,000
MPV (1992)	$400-600, based on number sold

MITSUBISHI (1990-92 models, expires April 30. This is the range of regional programs. Some rebates are based on number sold or performance against quota.)

Mirage, Galant, Pickup	0-$1,500
Eclipse (national)	$750-1,750

PEUGEOT (no expiration date)

405	$5,000
505	$6,000

PONTIAC (expires June 4 for 1992 models, May 4 for 1991 models)

LeMans	$1,000

PORSCHE (1991 models, no expiration date. To qualify for the following rebates, dealers had to buy two cars from port stock by Jan. 17.)

911 Carrera 2, 928	$9,500
911 Carrera 4	$13,500
911 Turbo	$14,000

SUBARU (expires April 2)

Legacy (1991)	$1,200-1,700
Legacy (1992, invoiced before Feb. 4)	$500
Legacy (1992, invoiced after Feb. 4)	$1,000

SUZUKI (expires April 2)

Swift (1992)	$400-700
Sidekick (1992)	$300-700
Swift (1991)	$700-1,000
Sidekick (1991)	$1,000-1,500

TOYOTA (expires April 2; 1991-92 models unless otherwise noted)

Corolla (1992)	$600-1,000, quota
Celica	$400-800, quota
Tercel	$200-600, quota
Pickups (base 4x2)	$900-1,500, quota
Other pickups	$400-1,000, quota

VOLKSWAGEN (no expiration date)

Passat (1991)	$1,500
Jetta, Fox, Golf (1991)	$500
All 1990 cars	$500-1,500

VOLVO (expires March 31)

1992 models

240 series	$500-1,000
740 series	$1,000-1,500
940 series	$1,500

1991 models

240 series	$1,500
740 series	$1,750-2,500
940 series	$1,500-2,500
780 coupe	$2,500

BUSH

Autos beat oil on vapor catcher

continued from PAGE 1

troversial trip to Tokyo with Big 3 executives. They include:

■ In late February Attorney General William Barr said he would use U.S. antitrust laws to stop unfair trade practices by U.S. trading partners, including the Japanese.

■ Treasury Department officials have begun reconsidering their 1989 decision to classify imported minivans and sport-utilities as cars, with a 2.5 percent tariff. Reclassifying the vehicles as trucks would raise the tariff to 25 percent.

■ U.S. Customs announced that Honda of America did not meet U.S.-Canadian content requirements for tariff-free shipment of Civics built in Canada and shipped to the United States. Honda officials and Canadian politicians blasted the decision, which would cost Honda $16.5 million in back tariffs.

■ Early this month, the Federal Trade Commission subpoenaed documents from the U.S. office of the Japan Automobile Manufacturers Association here as part of a probe of possible discrimination against U.S. parts makers by Japanese transplant manufacturers.

Some observers see these actions as a series of unrelated moves, a reflection of Bush's inattention to trade issues and decisions by individual bureaucrats to pursue their own course.

But others see a planned effort to improve the president's image on trade, particularly auto and auto parts trade with Japan. The moves are designed to counter continuing criticism from congressional Democrats and Republican challenger Buchanan as the recession drags on, car sales slump, layoffs grow and the presidential primary season advances.

Contrary to press predictions last week, Bush did not use Friday's speech to announce a program that would allow companies with pollution problems to earn credits from the government by buying up and scrapping older, higher-polluting cars.

That program would not only help remove a major source of air pollution from the highways, it would boost the market for used and new car sales, proponents say. The plan is reportedly still in the works, however, and may be announced next week.

The EPA had estimated that the on-board fuel recovery units would cost about $25 per car. In announcing the decision, Bush cited a Department of Transportation review that indicated the canisters would be more dangerous than recovery units installed on gasoline pumps.

The Clean Air Act amendments of 1990 called for on-board canisters unless they were determined to be a safety risk. Now, the government will require so-called Stage II vapor collectors on gas pumps in most states.

Bush said the decision stemmed from the 90-day moratorium on new federal regulations that he announced in his state of the union speech in January.

A Washington-based Chrysler Corp. representative said he is not bothered by the political overtones of the decision.

"If the ultimate result is good, I guess I don't care what motivates it," said John Guiniven.

Auto executives in Detroit were happy (see story at right); the decision did not please oil industry representatives.

"I think it's very unfortunate, because the proposed on-board refueling canisters represent the most cost-effective technology for capturing gas vapors," said William O'Keefe, chief executive of the American Petroleum Institute in Washington.

O'Keefe noted that on-board canisters are called for in the 1990 amendments to the Clean Air Act and have been endorsed by EPA administrators.

On Feb. 20, the American Petroleum Institute, joined by the Natural Resources Defense Council and others, sued EPA in federal court in Richmond to force it to choose on-board canisters.

"We're in court now and we'll stay in court. Unfortunately, that's what will probably be required — to get the court to tell EPA to do what Congress told it to do," O'Keefe said.

The junker car proposal is expected to be less controversial.

Owners of older cars would be paid $700 to $1,000 for voluntarily turning them in. At the same time, companies that buy up the cars could avoid penalties for other forms of air pollution that they produce.

The junker rule was proposed again by the National Automobile Dealers Association in a meeting with Bush's chief of staff Samuel Skinner in February. It was supported by a DRI/McGraw-Hill study paid for last fall by the auto industry.

Bush eases auto rules; Big 3 cheer

PHIL FRAME
Staff Reporter

DETROIT — Big 3 executives reacted warmly last Friday to the news that the domestic industry will get some regulatory relief from the federal government.

In a speech to the Economic Club of Detroit, President Bush announced that auto companies will not be required to design cars with fuel vapor recovery canisters to cut pollution during refueling.

The decision had been widely anticipated. "Obviously, the Department of Transportation had pretty well set that up ahead of time because of the safety issue," said Robert Stempel, General Motors chairman. "I was pleased to hear him put that in there. And hopefully, that will put it to bed once and for all."

The EPA will require vapor recovery systems at the gas pumps. Harold Poling, Ford Motor Co. chairman, noted that the pump system will do more to improve the atmosphere because it will catch all vapors from the start. On-board devices would not have been retrofitted into older cars.

Chrysler Corp. President Robert Lutz also reacted favorably to the announcement.

"We'll take regulatory relief anywhere we can get it," he said. "The canister issue is more of a safety issue than a cost issue."

Bush was in Detroit in advance of this week's primary election in Michigan, and he loaded his speech on domestic and foreign issues with auto-related topics. He said:

■ He will not sign any corporate average fuel economy legislation that would hurt American industry or lead to higher unemployment.

■ He will continue to back the battery consortium to promote electric cars.

■ He said he strongly supports a free-trade agreement with Mexico. He said it would not lead to the export of jobs to Mexico and would make Mexico more prosperous and a better market for U.S. goods, including cars.

In his most passionate comment, Bush bristled at suggestions that he had intervened in GM's decision to close an assembly plant in Michigan rather than a plant in his adopted home state of Texas.

"I made no such intervention," Bush said, shaking with rage. "It is a bald-faced lie!"

Stempel said he thought Bush had a good position on CAFE. "I thought he was upbeat and pretty positive," said Stempel.

Bush referred to his recent trip to Japan, saying he took some flak for it but it is paying off already with new American business in the computer, glass and paper markets.

He asked business leaders in the audience to work with the government in retraining workers and help them adapt to a changing economy.

INCENTIVE WATCH — CUSTOMER INCENTIVES

CONTINUING PROGRAMS

CHRYSLER CORP.

Expires March 31. Finance rates in lieu of rebates from zero to 9.9 percent.

1991-92 models

Chrysler New Yorker Fifth Ave., Imperial	$1,500
N.Y. Salon, LeBaron sedan	$1,000
LeBaron coupe, conv.	$500
Dodge Monaco	$1,500
Shadow, Spirit	$1,000
Daytona, Colt 3-dr.	$500
Dodge Ramcharger	$2,000
Ram wagon (van and conversion)	$1,000
Ram pickup (gas), Dakota pickup	$750
Ram 50 pickup	$500
Eagle Premier	$1,500
Talon	$1,000
Summit 3-dr., 4-dr., '92 wagon	$500
Jeep Cherokee	$1,500
Comanche	$750
Wrangler	$500
Plymouth Sundance, Acclaim, Laser	$1,000
Colt 3-dr., '92 Vista	$500
All minivans	$500
Northeast region only: LeBaron sedan, Acclaim, Spirit	$1,500

FORD MOTOR CO.

1992 models

Expires March 31. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered.

Ford Taurus SHO, Probe	$1,000
Thunderbird Sport, SC (Calif.)	$1,500
Thunderbird (non-Calif.)	$750
Tempo (regional)	$500-1,000
Escort (regional)	$500-750
Crown Victoria, Mustang, Festiva	$500
Other Taurus (Calif.)	$1,000
Other Taurus (non-Calif.)	$500
Ford Econoline RV	$1,000
Ranger (Calif.)	$1,000
Ranger (non-Calif.)	$750
Bronco	$750
Aerostar (regional)	$500-1,000
F series	$400
Mercury Cougar XR7 (Calif.)	$1,500
Cougar (non-Calif.)	$750
Capri	$750
Tracer (regional)	$500-750
Sable (Calif.)	$1,000
Sable (non-Calif.)	$500
Topaz (regional)	$500-1,000
Grand Marquis	$500
Lincoln Town Car, Mark VII, Continental	$1,500

1991 models

Expires March 31. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered.

Ford Festiva, Probe	$1,000
Escort, Mustang, Thunderbird	$750
Taurus SHO	$600
Tempo, other Taurus	$400
Ford Bronco, Econoline E-150 RV	$1,000
Aerostar (regional)	$400-1,000
Ranger, F series, other Econoline	$400
Mercury Capri	$2,000
Tracer, Cougar	$750
Topaz, Sable	$400

GENERAL MOTORS

1992 models

Expires June 4, unless otherwise indicated. In lieu of rebates, finance rates of 2.9 to 6.9 percent are offered.

Buick (based on option package ordered) Riviera	$2,000
Skylark, Century, Regal, LeSabre	$250-1,000
Cadillac (expires March 31) DeVille, Fleetwood, Brougham	$1,500
Chevrolet Lumina; Geo Storm, Prizm, Metro (manual)	$750
Cavalier, Camaro	$500
Geo Metro (automatic)	$300
Chevrolet S/T Blazer	$1,000
S/T pickup, Lumina APV	$750
G van	$500-750
C/K pickup	$400
GMC S15 Jimmy (exc. Typhoon)	$1,000
Sonoma (exc. Syclone)	$750
Sierra (regular cab)	$400
GMC (expires March 31) G van	$500-1,000
Safari	$500
Oldsmobile (regional) Toronado, Silhouette, Bravada	$1,000-2,000
Custom Cruiser	$1,000-1,500
Cutlass Ciera	$1,000
Cutlass Supreme	$750-1,500
Ninety Eight, Eighty Eight	$500-1,250
Pontiac Grand Prix, Trans Sport	$750
Sunbird, Grand Am, Firebird, Bonneville	$500

1991 models

Expires May 4, unless otherwise indicated. In lieu of rebates, finance rates of 2.9 to 6.9 percent are offered.

Buick (based on option package ordered) Reatta	$2,000
(other rebates same as 1992 models)	
Chevrolet (same as 1992 models, cars and trucks)	
GMC (expires March 31) G van	$500-1,000
Safari	$400
Other GMC (expires May 4) Same as 1992 rebates on S15 Jimmy, Sonoma, Sierra	
Oldsmobile (regional) Cutlass Calais	$700-1,000
(other rebates same as 1992 models)	
Pontiac (same as 1992 models)	

HYUNDAI (expires April 2)

Excel (1991)	$1,000
Excel (1992)	$500
Elantra (1992)	$1,000
Scoupe (1991)	$750
Scoupe (1992)	$500
Sonata (1991)	$1,500
Sonata (1992)	$750

MAZDA (1992 models, expires April 6)

Protege, 626, MX-6	$1,000 plus free air conditioning or automatic trans.
Pickups	$400-1,200

MITSUBISHI (expires April 30)

Eclipse (1991-92, national) 5.9 to 8.9 percent loans, based on down payment	
Pickups (1990-92, Southwest region)	$1,000
Mirage (1990-92, Southwest region)	$500

SUBARU (expires April 2)

Loyale (1991-92)	$500
Legacy (1992)	$500

Nissan adds dealer spiffs

Nissan Motor Corp. in U.S.A. announced factory-to-dealer rebates through May 4, dealers said.

The incentives range from $500 to $1,000 on 1992 cars and $1,000 to $1,300 on 1992 trucks. The program also includes a $1,000 payment on the 1991 240SX.

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
CHRYSLER		
Bramalea, Ontario	†	
Belvidere, Ill.	3/16, 3/23, 3/30	
Chrysler Fifth Avenue		1,000
Chrysler Imperial		100
Chrysler New Yorker Salon		600
Dodge Dynasty		3,000
Newark, Del.	3/16	
Chrysler LeBaron J		1,100
Dodge Spirit		1,200
Plymouth Acclaim		1,550
Sterling Heights, Mich.	3/16, 3/23	
Dodge Daytona		1,000
Dodge Shadow		1,900
Plymouth Sundance		1,700
GENERAL MOTORS		
Doraville, Ga.	3/16	
Oldsmobile Cutlass Supreme		2,400
Pontiac, Mich. (West)	3/16	
Chevrolet S10		1,650
GMC Sonoma		480
Chevrolet S10 Blazer		1,300
GMC Yukon		
Total U.S. car		**15,550**
Total U.S. truck		**3,570**
Total units lost week of 3/16		**19,120**

†Plant closed for retooling until spring 1992.
Source: Automotive News Data Center

NHTSA opens Chevy, GMC surge probe

MAX GATES
Staff Reporter

WASHINGTON — Government engineers have opened a preliminary investigation of engine surges in Chevrolet S10 Blazers and GMC Jimmy sport-utilities. They have been blamed for 13 accidents, including one fatality.

A total of 803,000 1989-91 vehicles could be involved. The probe involves trucks with 4.3-liter engines. According to 15 complaints received by the National Highway Traffic Safety Administration, the engines may surge on startup or as the vehicle comes to a stop.

NHTSA also has intensified its probe of leaking exhaust gases in 1989-91 Suzuki Sidekicks/Geo Trackers. NHTSA has received five complaints of smoldering carpets and back-seat cushions from hot exhaust leaks in the Sidekick/Tracker models. The investigation covers 83,000 vehicles.

NHTSA has intensified its probe of damaged brake lines in 1990-91 Ford Crown Victoria police cars. According to 26 complaints, the braking power of the cars may be reduced when brake lines become perforated from rubbing against the frame.

Hills opposes auto, parts quota

WASHINGTON — U.S. Trade Representative Carla Hills last week said she opposes using quotas on autos and auto parts to reduce the United States' $43 billion a year trade deficit with Japan.

Agreements guaranteeing U.S. companies a share of foreign markets only "sets ceilings on what U.S. companies can achieve," said Hills, the Bush administration's chief advocate of open markets.

Hills testified before the House subcommittee on trade in opposition to the Gephardt-Riegle bill, which would require Japan to reduce its trade surplus with the United States or face limits on auto imports.

U.S. AND CANADA CAR AND TRUCK PRODUCTION

Vehicles are assembled in the Unites States unless noted. Vehicles are cars unless noted.

	Est. 3/9-3/14/92	Actual 3/2-3/7/92	3/1-3/14/92	Year 1/1-3/14/92	Year 1/1-3/16/91
LeBaron J	1,150	1,165	2,315	9,697	4,351
New Yorker	600	595	1,195	4,370	1,945
Fifth Avenue	1,375	1,437	2,812	6,998	5,675
Imperial	125	170	295	1,273	1,667
Town & Country (trk.)	270	300	570	2,228	631
Total Chrysler Div.	**3,520**	**3,667**	**7,187**	**24,566**	**14,269**
Sundance	1,450	1,400	2,850	11,327	6,669
Acclaim	1,875	1,879	3,754	15,189	21,484
Voyager (trk.)	2,040	2,207	4,247	16,615	16,490
Voyager (Can. trk.)	2,000	2,814	4,814	27,993	20,158
Total Plymouth	**7,365**	**8,300**	**15,665**	**71,124**	**64,801**
Daytona	225	207	432	2,481	1,632
Shadow	2,000	1,745	3,745	16,114	7,222
Dynasty	2,800	2,798	5,598	18,879	27,287
Spirit	1,875	1,774	3,649	15,262	19,296
Viper	0	0	0	0	0
Monaco (Can.)	0	0	0	0	329
Caravan (trk.)	2,550	2,836	5,386	22,140	21,467
Caravan (Can. trk.)	3,000	3,624	6,624	37,086	27,422
Caravan C/V (trk.)	78	103	181	519	778
Caravan C/V (Can. trk.)	100	162	262	1,815	1,482
Dakota (trk.)	3,000	3,062	6,062	22,691	10,808
Ram pickups (trk.)	1,450	1,531	2,981	11,145	10,814
Ram Wagon (Can. trk.)	300	550	850	4,416	3,340
Ram Van (Can. trk.)	1,200	1,410	2,610	11,461	6,084
Total Dodge	**18,578**	**19,802**	**38,380**	**164,009**	**137,961**
Premier (Can.)	0	0	0	0	954
Cherokee (trk.)	3,500	3,558	7,058	26,277	14,617
Comanche (trk.)	50	63	113	565	1,075
Grand Cherokee (trk.)	750	865	1,615	4,202	0
Wagoneer (trk.)	25	31	56	296	514
Wrangler (Can trk.)	1,500	1,932	3,432	18,840	8,758
Total Jeep-Eagle	**5,825**	**6,449**	**12,274**	**50,180**	**25,918**
Total U.S. car	**13,475**	**13,170**	**26,645**	**101,580**	**97,228**
Total Can. car	**0**	**0**	**0**	**0**	**1,283**
Total U.S. truck	**13,713**	**14,556**	**28,269**	**106,676**	**77,194**
Total Can. truck	**8,100**	**10,492**	**18,592**	**101,611**	**57,244**
CHRYSLER CORP.	**35,288**	**38,218**	**73,506**	**309,879**	**242,949**
Escort	0	5,797	5,797	21,951	34,091
Mustang	2,704	0	2,704	13,372	11,588
Tempo	3,252	3,280	6,532	24,583	19,891
Tempo (Can.)	3,397	0	3,397	21,078	21,675
Taurus	7,073	7,265	14,338	74,947	55,548
Thunderbird	2,003	0	2,003	14,515	14,929
Crown Victoria (Can.)	2,414	1,695	4,109	16,909	20,830
Aerostar (trk.)	4,010	4,035	8,045	35,444	21,465
Bronco (trk.)	567	0	567	3,505	1,935
Explorer (trk.)	6,719	6,572	13,291	66,180	55,344
Mazda Navajo (trk.)	106	134	242	855	3,632
Econoline (trk.)	4,062	4,480	8,542	35,643	19,640
Heavies (trk.)	1,045	1,053	2,098	9,204	6,650
Light trucks (trk.)	10,319	9,318	19,637	90,569	42,271
Light trucks (Can. trk.)	3,040	3,040	6,080	33,441	16,358
Ranger (trk.)	7,225	4,471	11,696	46,705	44,918
Total Ford Division	**57,938**	**51,140**	**109,078**	**508,901**	**390,765**
Topaz	1,153	1,120	2,273	9,154	7,878
Topaz (Can.)	1,403	0	1,403	6,992	5,708
Cougar	1,301	0	1,301	9,663	10,586
Sable	3,425	3,255	6,680	21,559	17,161
Grand Marquis (Can.)	2,418	1,501	3,919	19,126	5,639
Total Mercury	**9,700**	**5,876**	**15,576**	**66,494**	**46,972**
Continental	976	971	1,947	7,296	12,379
Mark VII	244	246	490	1,678	2,164
Town Car	3,045	3,048	6,093	22,606	29,111
Total Lincoln	**4,265**	**4,265**	**8,530**	**31,580**	**43,654**
Total L-M Division	**13,965**	**10,141**	**24,106**	**98,074**	**90,626**
Total U.S. car	**25,176**	**24,962**	**50,158**	**221,324**	**215,326**
Total Can. car	**9,632**	**3,196**	**12,828**	**64,105**	**53,852**
Total U.S. truck	**34,055**	**30,063**	**64,118**	**288,185**	**195,855**
Total Can. truck	**3,040**	**3,040**	**6,080**	**33,441**	**16,358**
FORD MOTOR CO.	**71,903**	**61,281**	**133,184**	**606,975**	**481,391**
Skylark	1,680	1,506	3,186	14,134	25,368
Century	0	1,743	1,743	10,352	12,979
Regal (Can.)	0	0	0	10,656	19,159
Riviera	279	250	529	2,318	2,509
Park Avenue/Electra	1,788	1,782	3,570	12,158	23,435
LeSabre	3,391	2,279	5,670	28,766	33,069
Roadmaster sedan	0	1,376	1,376	12,147	0
Roadmaster wagon	0	391	391	2,574	2,958
Reatta	0	0	0	~0	441
Total Buick	**7,138**	**9,327**	**16,465**	**93,105**	**119,918**
Eldorado	891	876	1,767	8,955	3,256
Seville	1,122	1,052	2,174	9,664	6,116
Brougham	0	0	0	2,170	3,692
DeVille	1,677	3,624	5,301	23,709	29,536
Allante	53	22	75	142	664
Total Cadillac	**3,743**	**5,574**	**9,317**	**44,080**	**43,264**
Cavalier	4,569	4,750	9,319	43,360	58,083
Camaro	1,458	1,473	2,931	11,484	7,980
Corsica-Beretta	4,800	4,073	8,873	37,449	39,589
Lumina (Can.)	0	1	1	32,812	32,839
Caprice	0	2,851	2,851	20,332	25,408
Corvette	480	478	958	3,281	4,966
Astro (trk.)	3,073	2,394	5,467	32,708	18,019
Blazer (trk.)	410	336	746	3,889	1,559
Lumina APV (trk.)	0	1,445	1,445	7,373	5,999
Mediums (trk.)	98	71	169	1,074	1,736
P-model (trk.)	480	368	848	3,857	3,311
Pickups (trk.)	6,981	2,768	9,749	44,255	38,693
Pickups (Can. trk.)	3,800	3,980	7,780	41,794	28,708
S10 (trk.)	4,950	3,850	8,800	32,038	45,849
S10 Blazer (trk.)	3,396	2,572	5,968	26,786	8,814
Sportsvan (trk.)	941	795	1,736	9,974	6,931
Sportsvan (Can. trk.)	1,400	1,488	2,888	14,710	6,168
Suburban (trk.)	740	719	1,459	7,797	4,230
Total Chevrolet	**37,576**	**34,412**	**71,988**	**374,974**	**338,884**
Achieva/Calais	2,800	2,768	5,568	26,070	22,696
Cutlass Ciera	0	3,329	3,329	23,723	9,085
Cutlass Ciera (Can.)	0	0	0	0	11,437
Cutlass Supreme	2,400	2,338	4,738	13,552	20,108
Toronado	255	211	466	1,435	1,456
Eighty Eight	1,976	1,616	3,592	16,883	17,372
Custom Cruiser wag.	0	132	132	1,033	2,814
Ninety Eight	723	294	1,017	6,021	18,439
Silhouette (trk.)	0	569	569	2,743	2,758
Bravada (trk.)	205	177	382	3,017	4,719
Total Oldsmobile	**8,359**	**11,434**	**19,793**	**94,477**	**110,886**
Sunbird	1,991	1,752	3,743	19,556	26,699
Grand Am	4,860	4,247	9,107	45,274	42,275
Firebird	542	527	1,069	4,625	2,016
Grand Prix	1,896	1,671	3,567	22,858	17,778
Pontiac 6000	0	0	0	0	6,233
Bonneville	2,685	2,686	5,371	18,982	16,571
Trans Sport (trk.)	0	777	777	3,552	3,417
Total Pontiac	**11,974**	**11,660**	**23,634**	**114,847**	**114,989**
Yukon/Jimmy (trk.)	130	117	247	1,154	549
Mediums (trk.)	637	536	1,173	5,421	4,454
P-model (trk.)	36	52	88	473	552
Pickups (trk.)	2,449	914	3,363	17,556	14,991
Pickups (Can. trk.)	1,400	1,421	2,821	14,973	11,289
Syclone/Sonoma (trk.)	1,020	917	1,937	7,345	10,920
Typhoon/S15 Jimmy (trk.)	879	758	1,637	7,015	4,380
Safari (trk.)	1,396	1,036	2,432	12,540	7,513
Suburban (trk.)	510	495	1,005	4,585	4,245
Vandura (trk.)	419	310	729	5,607	3,007
Vandura (Can. trk.)	700	711	1,411	8,155	3,536
Total GMC	**9,576**	**7,257**	**16,843**	**84,824**	**65,436**
Total Saturn*	**4,115**	**4,115**	**8,230**	**35,179**	**8,685**
Total U.S. car	**46,431**	**54,212**	**100,643**	**478,206**	**492,278**
Total Can. car	**0**	**1**	**1**	**43,468**	**63,435**
Total U.S. truck	**28,750**	**21,976**	**50,726**	**240,700**	**106,648**
Total Can. truck	**7,300**	**7,600**	**14,900**	**79,632**	**49,701**
GENERAL MOTORS	**82,481**	**83,789**	**166,270**	**842,006**	**802,062**
Can. car	2,200	2,204	4,404	23,477	27,504
Can. trk.	1,400	1,435	2,835	14,657	12,084
CAMI*	**3,600**	**3,639**	**7,239**	**38,134**	**39,588**
DIAMOND-STAR*	**3,363**	**3,248**	**6,551**	**32,747**	**33,032**
Civic	2,140	1,791	3,931	18,533	18,982
Civic (Can.)	2,200	2,452	4,652	24,264	22,617
Accord	7,800	7,852	15,652	82,894	73,991
Total U.S. car	**9,940**	**9,643**	**19,583**	**101,427**	**92,973**
Total Can. car	**2,200**	**2,452**	**4,652**	**24,264**	**22,617**
HONDA	**12,140**	**12,095**	**24,235**	**125,691**	**115,590**
HYUNDAI Sonata (Can.)	**0**	**0**	**0**	**2,828**	**8,542**
MAZDA*	**651**	**470**	**1,121**	**12,593**	**31,971**
U.S. trk.	0	1,478	1,478	12,884	15,927
Can. trk.	165	165	330	1,667	1,661
NAVISTAR	**165**	**1,643**	**1,808**	**14,551**	**17,588**
Sentra	2,640	2,615	5,255	30,240	30,986
Pickup (trk.)	2,580	2,611	5,191	29,482	29,690
NISSAN	**5,220**	**5,226**	**10,446**	**59,722**	**60,676**
Geo Prizm	1,900	2,026	3,926	20,051	22,055
Toyota Corolla	2,350	2,260	4,610	24,331	22,006
Toyota Hilux (trk.)	850	791	1,641	6,889	0
NUMMI	**5,100**	**5,077**	**10,177**	**51,271**	**44,063**
Legacy	1,200	1,156	2,356	12,218	12,400
Pickup (trk.)†	515	468	983	5,221	0
Rodeo (trk.)†	885	802	1,687	9,053	0
Total U.S. car	**1,200**	**1,156**	**2,356**	**12,218**	**12,400**
Total U.S. trk.	**1,400**	**1,270**	**2,670**	**14,274**	**11,885**
SUBARU-ISUZU	**2,600**	**2,426**	**5,026**	**26,492**	**24,285**
Camry	4,752	4,675	9,427	49,371	46,787
Corolla (Can.)	1,500	1,536	3,036	15,378	14,279
TOYOTA	**6,252**	**6,211**	**12,463**	**64,749**	**61,066**
VOLVO 740, 940 (Can.)	**150**	**150**	**300**	**1,506**	**1,834**
AM GENERAL (trk.)	**375**	**375**	**750**	**3,825**	**4,450**
MISCELLANEOUS (trk.)**	**2,400**	**2,400**	**4,800**	**24,480**	**29,500**
Total U.S. car	**111,818**	**118,457**	**230,275**	**1,084,098**	**1,097,844**
Total Canada car	**15,682**	**9,539**	**25,221**	**175,625**	**193,348**
Total U.S.-Canada Car	**127,500**	**127,996**	**255,496**	**1,259,124**	**1,290,390**
Total U.S. truck	**84,123**	**75,520**	**159,643**	**727,377**	**561,149**
Total Canada truck	**28,005**	**22,732**	**42,737**	**231,868**	**147,848**
Total U.S.-Canada truck	**104,128**	**98,252**	**202,380**	**958,385**	**708,197**
TOTAL U.S.	**195,941**	**193,977**	**389,918**	**1,811,475**	**1,658,193**
TOTAL CANADA	**35,687**	**32,271**	**67,958**	**406,834**	**340,394**
TOTAL U.S.-CANADA CAR & TRUCK	**231,628**	**226,248**	**457,876**	**2,217,509**	**1,998,587**

•Estimate †Breakout by model not available for 1991.

*CAMI includes Geo Metro and Suzuki Swift cars and Geo Tracker and Suzuki Sidekick trucks; Diamond-Star includes Eagle Summit and Talon, Mitsubishi Eclipse and Mirage and Plymouth Laser; Mazda includes MX-6, 626 and Ford Probe.

**Estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.

May contain error of one or two units due to rounding.

Output runs 11% above '91

ANNE E. WRIGHT
Chief Statistician

U.S. and Canadian car and truck production this year is 11.0 percent ahead of the year-ago period.

Car production in the two countries is 1,259,124, trailing 1991 by 2.4 percent.

Truck producers have assembled 958,385 units in 1992, up 35.3 percent.

Last week, the estimated build by U.S. car producers was 111,818, down 5.6 percent from the prior week but up 7.1 percent from the year-ago week.

So far this year, 1,084,098 cars have been assembled in the United States, 1.2 percent below the same period in 1991.

Canadian car producers' estimated production last week was 15,682, up 64.4 percent from the prior week but down 27.4 percent from the year-ago week.

Year-to-date car production in Canada is 175,026 down 9.5 percent from 1991.

Last week's production by U.S. truck producers was estimated at 84,123, up 11.4 percent from the prior week and 110.3 percent from the year-ago week when five plants were down because of slow sales.

Year-to-date, U.S. truck production is 727,377, up 29.6 percent from the year-ago period.

In Canada, estimated truck production last week was 20,005, down 12.0 percent from the prior week but up 37.6 percent from the year-ago week.

So far this year, 231,008 trucks have been assembled in Canada, up 57.1 percent from 1991.

Last week's estimated daily build rate was 46,326 cars and light trucks in the United States and Canada, up 2.4 percent from the prior week and up 28.3 percent from the year-ago week.

Toyota Motor Manufacturing U.S.A. Inc. began building the Camry wagon in Georgetown, Ky., March 10.

The Kentucky plant will be the sole producer of the wagon, which also will be exported. Production is expected to reach 220 wagons a day by July, bringing total Georgetown output to 900 cars a day.

Toyota expects to build about 35,000 of the wagons this year, with about 15,000 to be sold in the United States.

General Motors scheduled overtime last Saturday at three truck facilities: Janesville, Wis.; Scarborough, Ontario; and Oshawa, Ontario.

Ford Motor Co. ran daily overtime last week at the Kansas City, Mo., and Louisville, Ky., truck plants.

Chrysler Corp. idled three car plants this week to adjust inventory levels: Newark, N.J.; Belvidere, Ill.; and Sterling Heights, Mich.

The Belvidere facility will resume production the week of April 6. The Newark plant will resume operations the week of March 23, and the Sterling Heights plant will return to work March 30.

Chrysler's St. Louis truck plant worked overtime last Saturday.